

SKYRING

A WEALTH OF EXPERIENCE
TURNING GOALS INTO REALITY

Product Disclosure Statement Skyring Fixed Income Fund



SKYRING FIXED INCOME FUND ARSN 622 775 464 | RESPONSIBLE ENTITY: SKYRING ASSET MANAGEMENT LIMITED | ACN 156 533 041 AFSL 422902
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“Preservation of our investors’ capital is the cornerstone of the Skyring investment philosophy. Our comprehensive processes and policies are designed specifically to provide our investors with the confidence that we will deliver the income and investment outcomes they require. Doing so consistently and with the utmost care and consideration.”



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Important information

RESPONSIBLE ENTITY AND ISSUER

This Product Disclosure Statement (**PDS**) is for the offer of fully paid ordinary units (**Units**) in the Skyring Fixed Income Fund ARSN 622 775 464 (**Fund**).

The name and contact details of the responsible entity are:

Skyring Asset Management Limited

Level 2/2 Gardner Cl
MILTON QLD 4064

Ph: 1300 73 72 74

Fax: (07) 3363 1299

Email: investor@skyring.com.au

Web: www.skyring.com.au

Skyring Asset Management
Limited ACN 156 533 041

(Skyring, Responsible Entity, us, we and our) is the issuer of, and solely responsible for, this PDS. This document is dated 1 November 2024.

We hold Australian financial services licence (**AFS Licence**) 422902, issued by the Australian Securities and Investments Commission (**ASIC**), which authorises us to act as responsible entity of the Fund.

CUSTODIAN

The custodian of the Fund is Certane CT Pty Ltd ABN 12 106 424 088 (**Custodian or MSC Certane**).

The Custodian is not the issuer of this PDS and makes no representations as to, and takes no responsibility for, the accuracy or truth of any statement or omission from any part of this PDS.

CAPITAL AND INVESTMENT RISK

An investment in the Fund is an investment in a registered managed investment scheme. An investment in the Fund is not a bank deposit, bank security or bank liability, and is subject to investment risk, including the loss of, or delays in the payment of, income or capital.

Neither Skyring, its related bodies corporate or any of their respective directors or offices, guarantee the repayment of capital from the Fund or the investment performance of the Fund. Investments in the Fund are not guaranteed or underwritten by the Responsible Entity, its related bodies corporate or any of their respective directors or officers.

In particular, some of the risks involved with an investment in the Fund are considered in section 6.2.

RELIANCE ON PDS ONLY

No person is authorised by us to give any information or to make any representation in connection with the offer of Units to you that is not contained in this PDS, or in Updated Information provided by us.

Any information or representation not contained in this PDS or Updated Information cannot be relied upon as having been authorised by us.

The issue of this PDS is authorised solely by us and none of our subsidiaries or related bodies corporate are responsible for any statement or information contained in this PDS.

Important information

PDS AVAILABLE ELECTRONICALLY

If you are printing an electronic copy of this PDS please ensure you print **all** pages, including the Application Form. If you make this PDS available to another person, you must give them the entire electronic file or print-out, including the Application Form. A paper copy of this PDS can be obtained free of charge on request by calling us on 1300 73 72 74.

Units cannot be issued unless you use the Application Form attached to either a paper or electronic copy of this PDS. The Application Form contains a declaration that you have personally received the complete and unaltered PDS prior to completing the Application Form. You should read this PDS in its entirety before completing the Application Form.

OFFERING RESTRICTIONS

The Offer under this PDS is available to persons receiving the PDS within Australia only. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. This PDS does not constitute an offer to any person to whom, or in any place in which, it would be illegal to make that offer.

NO FINANCIAL PRODUCT ADVICE

The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. You should review this PDS carefully and assess whether the information is appropriate for you and talk to a financial adviser before making an investment decision.

INVESTORS TO PROVIDE CERTAIN INFORMATION

We may require further information from you from time to time to comply with our obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* (**AML/CTF Act**). By applying for Units under this PDS, you undertake to provide us with all additional information and assistance that we may reasonably require. We reserve the right to apply our absolute discretion and without notice, to take any action we consider appropriate including blocking or delaying transactions or refusing to provide services, to comply with our obligations under the AML/CTF Act.

If requested by the Responsible Entity, you agree and it is a condition of the issue of Units, to provide certain information required by us or the Custodian in order to comply with any applicable law, including the United States Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standards under the CRS laws.

PRIVACY

Please read the privacy statement in section 10.10. By signing and returning the Application Form you consent to the matters outlined in that statement.

GLOSSARY, ILLUSTRATIONS AND CURRENCY

Defined terms and abbreviations used in this PDS are explained in the Glossary. All references in this PDS to '\$' are references to Australian dollars unless stated otherwise.

ENQUIRIES

If you have any questions or require assistance with completing the Application Form or additional copies of the PDS, please contact us using the details in the Corporate Directory.

Welcome to Investors

Skyring would like to welcome you to what we believe to be an exciting income investment.

With the Skyring Fixed Income Fund, you will be able to participate in an investment opportunity which fulfils an income solution for your portfolio by providing consistent monthly distributions.

Skyring's success has been built on three core principles.

1. **We put our investors' interests**

first. By doing this, we believe we are creating an investment environment that avoids complacency. Our team strives each day to achieve their best and improve your portfolio results.

2. **The belief that businesses, residential and commercial property, remain the central form of personal wealth creation for the majority of Australians.** This offer provides investment exposure to secured

loans on a first mortgage basis to businesses and to facilitate residential and commercial property investment or development across Australia.

We work hard to uphold our reputation as a reliable investment and capital partner, helping Australians achieve their goals of financial independence.

3. **Economic cycles change continually.**

Our Board's experience supports the agility we need to adapt to this change, and it is one of the key qualities that sets us apart.

By providing our investors with transparent investment opportunities, we believe we are generating a powerful portfolio of capital-stable assets that will meet our investors' long-term security, and income needs.

If you have invested in one of our Funds already, you will know we take these principles very seriously, working in close partnership with you to help you reach the financial goals you are striving for.

We look forward to welcoming you as a member of the Skyring Fixed Income Fund.

“We believe by placing our investors' interests before our own, we are creating an investment environment that does not breed complacency”



1. Key Investment Features

The following table summarises the key features of an investment in the Fund and provides section references for further information. You should read this PDS in full to properly understand your investment in the Fund.

DESCRIPTION	SUMMARY	REFER TO SECTION
INVESTMENT STRATEGY AND STRUCTURE		
Responsible Entity	Skyring Asset Management Limited ACN 156 533 041, holder of AFS Licence 422902.	5.1
Investment Strategy	<p>The Fund seeks to raise funds from the issue of Units to investors for the purpose of acquiring secured notes (Notes) issued by Skyring Capital Pty Ltd (Skyring Capital). Skyring Capital will use these funds primarily to provide loans for a wide range of purposes including property acquisition or development, construction, and business growth and acquisition, across Australia.</p> <p>Skyring Capital was established to conduct a lending business using funds raised from the issue of Notes to the Fund.</p> <p>The Notes carry a variable coupon rate determined by us and notified to Skyring Capital from time to time, with the coupon amount calculated daily and payable monthly in arrears. Notes are secured by a first ranking security interest over the assets of Skyring Capital. The terms and conditions of the Notes are summarised in section 3.1.</p>	2.1
OFFER DETAILS		
Offer open date	1 November 2024.	
Offer close date	There is no closing date. However, we may withdraw this offer at any time without prior notice.	
Issue price	The issue price of each Unit is \$1.	N/A
Minimum investment	Generally, \$1,000 and then in increments of \$1,000.	N/A
Maximum investment	There is no maximum investment amount, subject to our right to refuse to accept any application at our sole discretion or to accept any application for an amount less than the amount indicated on the Application Form.	N/A

1. Key Investment Features

DESCRIPTION	SUMMARY	REFER TO SECTION
INVESTMENT DETAILS		
Distribution Rate to Investors	<p>The distribution rate for Units is variable and is equal to the coupon rate payable by Skyring Capital less our management fee (and less extraordinary Fund expenses, if any are incurred). The distribution rate will change from time to time as the coupon rate on Notes is a variable rate.</p> <p>The current distribution rate is available on our website, www.skyring.com.au, or by contacting us on 1300 73 72 74. However, past performance is not necessarily a guide to future performance and the distribution rate will vary.</p>	2.3
Distributions	<p>Distributions will, where available, be paid monthly in arrears within five Business Days after the last day of each month by direct debit to your nominated account.</p> <p>Distributions will be paid by electronic funds transfer into your nominated financial institution account.</p>	2.3
Distribution Reinvestments	<p>The Distribution Reinvestment Plan (DRP) is a convenient way for you to increase your holding of Units in the Fund, by allowing you to automatically reinvest all or part of your monthly Distributions in additional Units, without incurring any fees or other transaction costs.</p> <p>The DRP is available to unitholders in the Fund (Unitholders) with registered addresses in Australia.</p> <p>If you wish to participate in the DRP, select the DRP election in the Application Form or at any other time by completing the Reinvestment Instruction Form available from Skyring.</p> <p>You may nominate part or all of your unit holding in the Fund for participation in the DRP. Your nominated participation will apply to all subsequent Distributions until varied by you.</p>	2.3

1. Key Investment Features

DESCRIPTION	SUMMARY	REFER TO SECTION
INVESTMENT DETAILS (CONT.)		
Withdrawals	<p>The Fund is a non-liquid managed investment scheme which means investors will not be able to withdraw their investment in the Fund unless we make a Withdrawal Offer.</p> <p>We intend to reserve sufficient cash to facilitate the making of a Withdrawal Offer to investors each Quarter. The cash will be generated from the redemption of Notes (which will be funded by Skyring Capital from the repayment of loans it has made to borrowers), funds from investors or a combination of both.</p> <p>Details of the process and the conditions for participating in a Withdrawal Offer (including that you must have held Units for 3 months prior to the date of the Withdrawal Offer) are summarised in section 2.4.</p> <p>We do not guarantee that Withdrawal Offers will be made each Quarter. Further, if a Withdrawal Offer is made, we do not guarantee that you will be able to withdraw the full amount requested. This is because if the amount of withdrawal requests exceeds the amount available under the Withdrawal Offer, withdrawal requests from investors will be satisfied on a pro rata basis.</p>	2.4
Transfer	You may transfer your Units to another person but there will be no established secondary market (e.g. stock exchange) for the Fund.	2.5

DESCRIPTION	SUMMARY	REFER TO SECTION
BENEFITS AND RISKS		
Benefits	<p>Benefits of investing in the Fund include:</p> <ul style="list-style-type: none"> (a) regular income via monthly Distributions; (b) Skyring Capital has a conservative lending policy aimed at reducing the risk of capital loss; (c) diversification across property and industry sectors in the underlying assets; and (d) benefiting from the expertise and experience of our Board and the management of Skyring Capital. 	6.1
Risks	<p>All investments involve risks. There are a number of risks associated with an investment in the Fund. Some of the significant risks include:</p> <ul style="list-style-type: none"> (a) reliance on Skyring Capital; (b) Skyring Capital default; (c) inadequacy of security; (d) lack of diversification; and (e) illiquid investment. 	6.2

1. Key Investment Features

DESCRIPTION	SUMMARY	REFER TO SECTION
FEES AND OTHER COSTS		
Establishment fee	Nil	7.2
Contribution fees	Nil	7.2
Withdrawal fees	Nil	7.2
Management fee	We will charge a management fee of 0.77% per annum (including GST) of the gross asset value of the Fund, payable monthly in arrears. Typically, our management fee is paid from the coupon payments made by Skyring Capital prior to the payment of Distributions to investors and is not deducted from the amount you invest.	7.2
Fund expenses	We will pay ordinary Fund expenses from our management fee or our other resources.	7.3
Removal fee	We may also be entitled to be paid a fee if we are removed as responsible entity in recognition of the work performed in the establishment and management of the Fund prior to removal.	7.3
Adviser remuneration	<p>If your licensed or authorised financial adviser recommends you invest, or facilitates your investment, in the Fund you may, at your discretion elect to pay them an upfront advice fee, of up to 1.1% (including GST) of the amount you invest in the Fund (Upfront Advice Fee) and/or an ongoing advice fee of up to 0.55% p.a. (including GST) of your initial investment amount (Ongoing Advice Fee), by marking the appropriate box on the Application Form.</p> <p>If you instruct us on the Application Form to pay an Upfront Advice Fee to your adviser on your behalf we will deduct such amount from your application monies and pay it to your adviser at the time Units are issued.</p> <p>If you instruct us on the Application Form to pay an Ongoing Advice Fee to your adviser on your behalf we will deduct such amount from the distributions payable to you and pay it to your adviser at the time the distribution is paid.</p> <p>Refer to section 7.3 for further information about adviser remuneration.</p>	7.3

1. Key Investment Features

DESCRIPTION	SUMMARY	REFER TO SECTION
ADDITIONAL INFORMATION		
Cooling-off	No cooling-off period applies to investments in the Fund.	10.7
Tax	Investing in the Fund may have taxation consequences for you. We recommend you seek professional tax advice before investing in the Fund.	8
Reporting to investors	<p>You will receive:</p> <ul style="list-style-type: none"> (a) confirmation of your investment; (b) monthly Distribution statements; (c) quarterly performance updates; (d) an annual taxation summary; and (e) an annual periodic statement. <p>You can elect to be sent, either by post or electronically, annual financial statements for the Fund by marking the appropriate box in the Application Form.</p>	2.7
Target market determination	The target market determination for the Fund is available at www.skyring.com.au .	N/A
Complaints resolution	<p>Any complaints can be made:</p> <p>(a) by post:</p> <p>Complaints Manager Skyring Asset Management Limited Level 2/2 Gardner CI MILTON QLD 4064</p> <p>(b) by phone: 1300 73 72 74 (c) by email: investor@skyring.com.au</p>	10.4
How to contact us?	Call 1300 73 72 74 (within Australia) or +61 7 3363 1200 (outside Australia) or refer to the Corporate Directory on www.skyring.com.au	Corporate Directory

2. Investment Objectives and How to invest

2.1 INVESTMENT OBJECTIVE

The Fund's objective is to provide investors with regular income via monthly distributions from investing in Notes. The Notes are secured by a first ranking security interest over the assets of Skyring Capital. The terms and conditions of the Notes are summarised in section 3.1.

Skyring Capital was established to operate a lending business using proceeds from the issue of Notes to the Fund to provide loans for residential, commercial, retail and industrial property development, construction or acquisition, and for business growth and acquisition.

Each loan is secured by a first ranking mortgage over real property or, for business loans, a first ranking general security interest over the borrower's assets. Skyring Capital primarily sources loans where the corresponding security is over properties and business located throughout Australia.

Skyring Capital's lending policy is summarised in section 4 and details of Skyring Capital, including its management, are provided in section 3.3.

We can notify Skyring Capital of changes to the coupon rate from time to time, but not more frequently than monthly.

Our Board reviews the coupon rate on a monthly basis based on various factors such as market conditions, the Reserve Bank of Australia official cash rate (Cash Rate) and the amount which we consider provides an appropriate return to the Fund (and therefore Investors) for the investment risk of the Notes.

If we consider the coupon rate should be varied we will notify Skyring Capital of the revised coupon rate, which will apply to all Notes on issue at that time (and to any Notes issued until the coupon rate is next varied).

If we determine not to vary the coupon rate, we are not required to notify Skyring Capital and the prevailing coupon rate will continue to apply until we determine to change the coupon rate and notify Skyring Capital.

We, and our officers, associates and their related entities, do not guarantee the payment of income on, or return of capital of, an investment in the Fund.

2.2 HOW DO I INVEST IN THE FUND?

To invest in the Fund, please read this PDS and complete and submit the online Application Form, or complete and lodge an original signed paper copy of the Application Form, and pay your application monies, in accordance with the instructions on that form.

When you apply to invest in the Fund, your money is held in trust in an applications account until we accept your application. We have absolute discretion to decline an application and are not required to give a reason.

If your application is declined, your application money will be returned promptly, with interest (if any) earned on your application money less any fees charged by the bank and any taxes we are required to withhold from the interest paid to you. However, you will not receive less than the amount of your application monies.

2. Investment Objectives and How to invest

Any interest earned on the application money for which Units are issued will form part of the assets of the Fund.

Indirect Investors

If you invest through an IDPS, such as investor directed portfolio services, wrap accounts and master trusts, your rights and liabilities will be governed by the terms and conditions of the disclosure document given to you by the relevant IDPS Operator (IDPS Guide). Indirect investors should carefully read the IDPS Guide before investing in the Fund.

Indirect investors should note that they are directing their IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect investors do not become investors in the Fund or have rights of investors. The IDPS Operator becomes the investor in

the Fund and acquires these rights. The IDPS Operator can exercise or decline to exercise the rights on an indirect investor's behalf according to the arrangement governing the IDPS. Indirect investors should refer to their IDPS Guide for information relating to their rights and responsibilities as indirect investors, including information on any fees and charges applicable to their investment.

Information about how indirect investors can apply for Units (including an application form where applicable) will also be contained in the IDPS Guide. We accept no responsibility for IDPS Operators or any failure by an IDPS operator to provide indirect investors with a current version of this PDS as provided by us or to withdraw the PDS from circulation if required by us.

If you are investing through an IDPS:

- (a) your IDPS Operator will complete the Application Form for you. Do not complete the Application Form attached to this PDS. Your IDPS Operator will be able to advise you of the minimum investment amounts that relate to you; and
- (b) if we make a withdrawal offer, you will need to provide your withdrawal request directly to your IDPS Operator. You will need to contact the relevant IDPS Operator regarding their withdrawal request cut-off times for pricing purposes. The time to process a withdrawal request will depend on the particular IDPS Operator. You should refer to the IDPS Guide for the minimum withdrawal amount; and

- (c) you are able to access our complaints procedures (see section 10.4). for complaints about any aspect of your investment in the Fund. If investing via an IDPS and your complaint concerns the operation of the IDPS then you should contact the IDPS operator directly.

We authorise the use of this PDS by investors investing in the Fund indirectly through an IDPS Operator.

2. Investment Objectives and How to invest

2.3 DISTRIBUTIONS

The current distribution rate is available on our website, www.skyring.com.au, or by contacting us on 1300 73 72 74. However, past performance is not necessarily a guide to future performance as the distribution rate is variable and is equal to the coupon rate payable by Skyring Capital less our management fee (and less extraordinary Fund expenses, if any are incurred).

The distribution rate will change from time to time as the coupon rate on Notes is a variable rate determined by us and notified to Skyring Capital from time to time. The coupon amount is calculated daily and payable monthly in arrears. We determine the coupon rate based on various factors such as market conditions, the Reserve

Bank of Australia official cash rate (**Cash Rate**) and the amount which we consider provides an appropriate return to the Fund (and therefore Investors) for the investment risk of the Notes. The distribution rate will also be impacted by the incurrence of any extraordinary Fund expenses and by the non-payment of the monthly coupon on Notes by Skyring Capital.

The payment of Distributions will be dependent upon Skyring Capital meeting its obligations under the Notes and making coupon payments in full and on time. Therefore, an investment in the Fund is subject to investment risk, including the loss of capital invested. You should refer to section 6.2 for a discussion of the risks of investing in the Fund.

Subject to the availability of funds, Distributions will be paid by electronic funds transfer into your nominated financial institution account.

The transfer of Distributions to your account will typically occur within 5 Business Days of the end of each Distribution Period (being monthly).

Distributions by the Fund to investors will be sourced from coupon payments made by Skyring Capital and not from Fund borrowings (as the Fund will not borrow).

Coupon payments from Skyring Capital to the Fund will primarily be sourced from interest payments from borrowers and not from Skyring Capital borrowings (as Skyring Capital does not intend to have any borrowings other than the Notes).

2. Investment Objectives and How to invest

2.4 WITHDRAWALS

The Fund operates as a non-liquid scheme and you can only withdraw from the Fund in response to a Withdrawal Offer made by us. We cannot guarantee the offer or payment of withdrawals at any particular time. We intend to make Withdrawal Offers on a Quarterly basis.

To participate in a Withdrawal Offer, you must:

- (a) have held Units for at least 3 months prior to the date of the Withdrawal Offer; and
- (b) lodge a valid notice of your intention to participate in the Withdrawal Offer (**Participation Notice**) with us at least 60 days prior to the end of the relevant Quarter. The form of notice is available at www.skyring.com.au.

If we have not received any Participation Notices for a Quarter,

we will not make a Withdrawal Offer for that Quarter.

The Participation Notice requires investors to identify the amount they are seeking to withdraw from the Fund. This information assists us to budget the amount to make available under the Withdrawal Offer.

However, we do not represent or guarantee that the amount available under a Withdrawal Offer will be equivalent to the total amount which investors have indicated in the Participation Notices that they are seeking to withdraw from the Fund as the amount available for a Withdrawal Offer will primarily depend upon the receipt of proceeds from the redemption of Notes (and the redemption of Notes by Skyring Capital will depend upon the repayment of loans by borrowers) and investor subscriptions.

A Withdrawal Offer will only be made to investors (**Eligible Investors**) who satisfy the above requirements. We will provide a Withdrawal Request Form to Eligible Investors which will specify:

- (a) the period during which the offer will remain open which will be at least 21 days after the offer is made (**Offer Period**);
- (b) the assets that will be used to satisfy Withdrawal Requests;
- (c) the amount of money that is expected to be available when those assets are converted into cash; and
- (d) the method of dealing with Withdrawal Requests if the money available is insufficient to satisfy all requests.

Eligible investors may request written withdrawal of part or all

of their eligible Units by giving a notice that must be received no later than 5.00pm AEST on the last business day of the Offer Period. As required by the Corporations Act the Withdrawal Requests must be satisfied within 21 days of the end of the Offer Period. No fee is payable for a withdrawal. If satisfaction of a Withdrawal Request will result in the value of an Eligible Investor's investment being less than \$1,000, we may treat the Withdrawal Request as applying to their entire investment.

No withdrawals can be made outside of an Offer Period.

If the Fund suffers a loss on its investment in Notes, there may be a reduction in value of the assets in the Fund on which the withdrawal value is based. This may result in a reduced withdrawal price payable to the investors who are redeeming Units.

2. Investment Objectives and How to invest

2.4 WITHDRAWALS (CONT.)

We do not guarantee Withdrawal Offers will be made each Quarter, as this will be dependent on having sufficient funds available which is primarily determined by the redemption of Notes by Skyring Capital. Further, if a Withdrawal Offer is made, we do not guarantee that you will be able to withdraw the full amount requested as we are required to satisfy Withdrawal Requests pro-rata if the amount requested for withdrawal by participating Eligible Investors exceeds the amount of the Withdrawal Offer.

We also reserve the right to cancel a Withdrawal Offer before the closing date.

2.5 TRANSFER OF UNITS

You should consider your investment as illiquid as there is no established secondary market (e.g. stock exchange) for the Fund. However, you may transfer your Units to another person subject to the Constitution.

We will maintain a list of proposed buyers and sellers of Units, and investors can be added to, or obtain a copy of, the list by contacting us. If you wish to sell your Units, you will need to contact a potential buyer and privately agree the terms of any transfer, including price, as we will not list buy or sell prices or facilitate the sale or purchase of Units. To transfer your investment, you must find a buyer and send us a valid transfer request signed by both parties. You can obtain transfer forms by contacting us, using the details in the Corporate Directory.

2.6 NATURE OF UNITS

This PDS relates to an offer of ordinary units in the Fund and other classes of units will be on issue in the Fund from time to time. All classes of units issued in the Fund will have the same rights and restrictions but may have different distribution rates.

Further, all Notes will be issued under the Note Subscription Deed, have the same terms and conditions and be secured by the Note Security Deed.

Different classes of units in the Fund will not have an interest in specific Notes and Notes issued by Skyring Capital will not correspond to specific loans advanced by Skyring Capital.

2.7 REPORTING

You will receive written confirmation of your investment in the Fund as well as the following regular updates:

- (a) monthly Distribution statements;
- (b) quarterly updates on the performance of your investment;
- (c) an annual taxation statement; and
- (d) an annual periodic statement.

The Fund's annual financial statements can, when available, be downloaded from the Skyring Investor Portal, accessed from our website at www.skyring.com.au.

Alternatively, if you wish to receive annual financial statements by mail or email, please tick the appropriate box on the Application Form.



3. Notes and Skyring Capital Details

3.1 SUMMARY OF NOTE TERMS

The key terms of the Notes to be issued by Skyring Capital to the Fund are set out in figure A.

3.2 NOTE SECURITY

Repayment of the Notes is secured, pursuant to a note security deed (Note Security Deed), by a registered first ranking general security interest granted by Skyring Capital over all of its current and future assets and undertakings.

The main terms of the Note Security Deed to be entered into between the Fund and Skyring Capital are set out in section 9.5.

3.3 SKYRING CAPITAL

Skyring Capital Pty Ltd is a related body corporate of the Responsible Entity as both are wholly owned subsidiaries of the same parent company. All directors of Skyring Capital are also directors of the Responsible Entity. Profiles for our directors are contained in section 5.2.

3.4 EQUITY INTERESTS IN BORROWERS

Skyring Capital may agree to reduce or waive the loan establishment fee it typically charges to a borrower, or agree not to require a guarantee from a director or owner of a borrower, in exchange for taking an equity position in a borrower. Skyring Capital will not use Note issue proceeds to make equity investments in borrowers and loans made by Skyring Capital to borrowers in which it obtains an equity interest must meet the requirements of Skyring Capital's Lending Policy.

Equity interests in borrowers may provide Skyring Capital with a further source of funds, in the form of dividends or proceeds from the realisation of such investments, to assist Skyring Capital meet its coupon payment and redemption obligations on Notes. Skyring Capital will typically enter into a shareholders' agreement or similar document to govern its relationship with other shareholders of a borrower in which it has an equity interest.

FIGURE A

MATTER	DETAILS
FACE VALUE	Each Note will be issued with a face value of \$1.
CLASSIFICATION	The Notes are secured redeemable notes in the capital of Skyring Capital. The Notes are not convertible into shares or any other securities.
USE OF FUNDS	Funds raised from the issue of Notes may only be used by Skyring Capital to: (a) provide loans for existing property, acquisition of property, property development and construction, and business growth and acquisition, and Skyring Capital will provide loans relating to properties and business located throughout Australia; or (b) fund the redemption of existing Notes.

3. Notes and Skyring Capital Details

FIGURE A (CONT.)

MATTER	DETAILS
COUPON RATE AND PAYMENTS	<p>Notes carry an entitlement to receive coupon payments based on a variable rate determined by the Fund and notified to Skyring Capital from time to time. Accordingly, the coupon rate will vary from time to time as the Fund changes the variable rate and modifications to the coupon rate apply to all Notes on issue.</p> <p>The Fund and Skyring Capital may also agree that a higher or lower coupon rate will apply to Notes issued during a certain period and apply for such duration as agreed between the parties.</p> <p>Coupon payments are calculated daily and must be paid monthly in arrears within two Business Days of the end of the month.</p>
MINIMUM SUBSCRIPTION	The fund must subscribe for Notes in increments of \$1,000 or at the discretion of the Directors.
MATURITY	<p>Each Note matures on the fifth anniversary of the issue date of the Note.</p> <p>On maturity, the Notes must be redeemed by Skyring Capital.</p>
EARLY REDEMPTION	Notes may be redeemed by Skyring Capital prior to their maturity upon Skyring Capital giving at least 30 days prior written notice to the Fund specifying the date of redemption and the number of Notes to be redeemed.
TRANSFER	Either party may transfer Notes to a third party with the prior written consent of the other party.
SECURITY	The Notes are secured by a registered first-ranking security interest over the assets and undertaking of Skyring Capital.
COVENANTS AND DEFAULT	<p>If an event of default occurs in respect of Skyring Capital, the Fund may immediately require Skyring Capital to redeem all of the Notes.</p> <p>Events of default include:</p> <ul style="list-style-type: none"> (a) Skyring Capital fails to pay a coupon payment or the redemption amount on a Note when due; (b) Skyring Capital becomes insolvent or is unable to pay its debts; (c) Skyring Capital stops paying its debt or ceases to carry on business; and (d) any representation or warranty provided by Skyring Capital being incorrect or misleading in a manner the Fund considers material. <p>For so long as one or more Notes remain on issue, Skyring Capital is required to (among other things):</p> <ul style="list-style-type: none"> (a) maintain its corporate existence; (b) carry on and conduct its business in the ordinary and usual course; and (c) not issue any other notes which rank in priority to the Notes and/or grant security over its assets to another entity, without the Fund's prior written consent.

4. Lending Policies

All loans advanced by Skyring Capital must satisfy a range of risk management and lending guidelines as set out in its Lending Policy, as varied from time to time.

Skyring Capital's key lending parameters are as follows:

LENDING PARAMETERS	
LOAN PURPOSE	<p>Skyring Capital provides loans for residential, commercial, retail and industrial property development, construction or acquisition, and for business growth and acquisition, where the loan will be secured by a first ranking mortgage over real property or, for business loans, a first ranking general security interest over the borrower.</p> <p>Skyring Capital will primarily source loans for property development, construction and acquisition, and business growth and acquisition, and Skyring Capital will provide loans relating to properties and business located throughout Australia.</p> <p>Skyring Capital will only provide first-ranking or senior debt loans and will not provide second-ranking or mezzanine loans.</p>
LENDING VALUATION RATIO (LVR)	<p>Prior to the advance being made, a borrower must demonstrate to Skyring Capital's satisfaction, that it has adequate property or assets to secure the loan.</p> <p>Loans which are advanced for property development or construction purposes will have a maximum LVR of 70% on both an 'as is' and 'as if complete' basis. All other loans secured over real property will also have a maximum LVR of 70%. For loans secured over assets other than real property, we may lend on an LVR of up to 70% of the value of the assets securing the loan (for example, for a loan to fund the acquisition of a business which is secured over the assets of that business).</p>
INTEREST RATES	<p>Skyring Capital will determine the interest rates and fees payable by a borrower having regard to prevailing market rates, the borrower's borrowing history, the purpose of the loan and any other matter which Skyring Capital considers relevant on a case by case basis.</p> <p>Interest rates will be set at rates which provide an appropriate risk margin over the cost of funds and enable Skyring Capital to meet its coupon payments on the Notes. Loans will typically carry a variable interest rate.</p>
ACCEPTABLE SECURITY	<p>All loans will be secured by:</p> <ul style="list-style-type: none"> (a) a registered first mortgage over real property; and/or (b) a registered first ranking general security interest over the assets and undertaking of the borrower. <p>Loans may be supported by additional security such as guarantees from the directors or owners of the borrower.</p>

4. Lending Policies

LENDING PARAMETERS (cont.)

VALUATIONS

Skyring Capital will obtain an independent valuation over any real property and the Lending Policy requires:

- (a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;
- (b) a valuer to be independent;
- (c) any real or potential conflict of interest to be dealt with in accordance with Skyring Capital's conflict policy;
- (d) the rotation and diversity of valuers.

Additionally, independent valuations must be obtained:

- (a) before the issue of a loan;
- (b) on renewal or extension of a loan (if applicable) for a period of more than 6 months or on renewal or extension for a period of less than 6 months where Skyring Capital considers that there has been a material decline in value of the security property;
- (c) for loans secured by a mortgage over real property, where the security property is a development property, on both an 'as is' and 'as if complete' basis and, for all other real property security, on an 'as is' basis; and
- (d) within two months after Skyring Capital forms a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of the relevant loan agreement.

For loans secured over assets other than real property, Skyring Capital's Lending Policy requires it to obtain an assessment of the value of those assets from an accountant, business broker or other person who it considers has suitable expertise to assess the value of the assets having regard to the type of asset, and, in each case, who is independent from the borrower.

Skyring Capital will obtain an assessment of the value of such secured assets in respect of a loan before the issue of the loan, on renewal or extension of the loan (if applicable) for a period of more than 6 months or where Skyring Capital considers that there has been a material decline in the value of the security property, and within two months after Skyring Capital forms a view that there is a likelihood of a decrease in the value of security property which may cause a material breach of a covenant of the relevant loan agreement.

4. Lending Policies

LENDING PARAMETERS (cont.)	
LOAN TERM	Loans will generally be of a term of 12 months to 18 months.
LOAN APPROVALS	All Loans require the approval of the board of Skyring Capital.
LOAN SERVICEABILITY	Skyring Capital must take into account a borrower's ability to service the loan having regard to their forecast and historical cash flow statements, access to liquid assets, and any retention of funds advanced to meet interest payments.
DEFAULT MANAGEMENT	<p>The mandatory default management procedures in the event of default by a borrower under a loan agreement are as follows:</p> <ul style="list-style-type: none"> (a) Skyring Capital will immediately contact the borrower to ascertain the reason for the default and determine whether the borrower can rectify the default in a reasonable time; (b) if the default remains outstanding for 10 days, the default is escalated to Skyring Capital's board; (c) if the default is not rectified within 28 days, Skyring Capital will consider instructing lawyers to commence legal proceedings to recover the loan; (d) a decision by Skyring Capital on whether to instruct lawyers will be based on what it believes is in the best interest of investors; and (e) Skyring Capital will immediately advise us of any default which remains outstanding for 10 days and of the status of the loan, including any enforcement action taken.
CO-LENDER	Skyring Capital may partner with another lender, on a first mortgage basis to jointly provide a loan to a borrower. In which case Skyring Capital will enter into an agreement with the co-lender which sets out how the parties, as co-lenders, will exercise their rights under the loan agreement and security documents with the borrower and which requires interest payments and principal repayments from the borrower to be allocated between the co-lenders in proportion to their contribution to the loan.



5. Responsible Entity and Custodian

5.1 SKYRING ASSET MANAGEMENT LIMITED

Skyring Asset Management Limited is an unlisted public company incorporated in Queensland which holds AFS Licence 422902.

Our AFS Licence authorises us to operate the Fund as a registered management investment scheme. As responsible entity, we are responsible for the day to day operation of the Fund in accordance with our AFS Licence, the Constitution, Compliance Plan and Corporations Act.

Our key driver is that our job is to help our investors to grow their wealth through a professionally managed investment strategy by a company that upholds the same investor values and continues to innovate.

5.2 DIRECTORS AND KEY PERSONNEL

DAVID MARDELL Chief Executive Officer

David Mardell is one of the founding directors of Skyring Asset Management Limited.

He and his co-founders established the company in 2011, at which time David brought more than 15 years' experience in financial services, industry leadership and management experience —expertise that he has since honed further, for the very tangible benefit of his clients and associates.

David is also a Director of Skyring Capital.

CATHRYN HOWARD Managing Director

Cathy is a Chartered Accountant and Registered Tax Agent. In addition to her roles as Managing Director of Skyring Asset Management's Board of Directors, she is a Partner of Skyring Chartered Accountants.

Cathy has a BA in Psychology from the University of Queensland, and a Master of Professional Accounting from The University of Southern Queensland.

Cathy manages the strategic financial management of Skyring's Funds and individual projects on investors' behalf, and of Skyring Asset Management Limited itself.

As Managing Director, Cathy oversees the corporate direction and strategy for Skyring's operations. This includes the acquisition and delivery of investor assets through Skyring Asset Management's Property and Income Funds.

Cathy's commitment to achieving Skyring's vision for investors, partners, shareholders and stakeholders alike is demonstrated in her determination to help them grow their wealth through the Skyring Fixed Income Fund.

Cathy is also a Director of Skyring Capital.

5. Responsible Entity and Custodian

5.2 DIRECTORS AND KEY PERSONNEL (CONT.)

PETER HOWARD

Director

Peter Howard has a solid background in information technology with over 20 years' experience across a number of roles, including senior development and project management positions in Queensland's public sector.

Along with his leadership and IT management expertise, Peter's 'outside the box' thinking adds further depth to an already impressive team. He brings a fresh perspective, and can rally people from different disciplines to overcome challenges and bring new opportunities to life.

Peter is also a Director of Skyring Capital.



5. Responsible Entity and Custodian

5.3 COMPLIANCE COMMITTEE

In accordance with the Corporations Act, we have appointed an independent Compliance Committee for the Fund to assist us to meet our compliance responsibilities. In particular, the Compliance Committee's role is to monitor our compliance with the Compliance Plan and Constitution in operating the Fund. The Compliance Committee reports directly to the Board and, in certain circumstances, to ASIC.

The Compliance Committee is required to have a minimum of three members, the majority of whom must be external to the Responsible Entity.

5.4 CUSTODIAN

Although we manage all assets of the Fund, we have appointed an independent custodian to hold the assets of the Fund.

Certane CT Pty Ltd ACN 106 424 088 AFSL 258829 (**MSC Certane**) is a wholly owned subsidiary of MSC Group Australia Pty Ltd ACN 609 538 749 (**MSC Group**). MSC Group is a highly credentialed provider of corporate trust, custodial, fund administration and financial intermediary services for Australian and international fund managers, corporates and financial services industry participants. With more than \$30 billion of assets under management and more than 60 staff across three offices, MSC Group holds a diversified portfolio of financial services licenses and offers a range of leading independent and technology-enabled trustee, custodian and oversight solutions.

The Responsible Entity has appointed MSC Certane under a Custodian Agreement. The Custodian's role is to hold the assets in its name and act on the direction of the Responsible Entity to effect cash and investment transactions.

MSC Certane has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to a unitholder for any act done or omission made in accordance with the Custodian Agreement (refer section 9.6).

MSC Certane's role as Custodian is limited to holding the assets of the Fund.



6. Benefits and Risks of Investing

6.1 BENEFITS OF INVESTING IN THE FUND AND THIS OFFER

Some key benefits of investing in the Fund are summarised below.

Regular Distributions

Distributions will be paid monthly in arrears.

Direct deposit of Distributions

Distributions are automatically deposited to your nominated financial institution account via electronic funds transfer.

Distribution Reinvestment Plan (DRP)

Distributions can be reinvested.

Regular reporting

You can keep track of your investment with regular Distribution statements and annual tax statements.

Fund assets held by Custodian

The independent Custodian will hold legal title to all Fund assets, in its capacity as agent of the responsible entity of the Fund.

Expertise and experience of our key management

You will benefit from the expertise and experience of our key management personnel. Section 5.2 provides information about our Board.

6.2 INVESTMENT RISKS

Before deciding whether to invest in the Fund, it is important that you understand the risks that can affect your investment. All investments are subject to risk, and investments may not perform as expected resulting in a loss of capital or income to investors or may not ultimately meet an investor's objectives.

You should give consideration to the following risk factors, as well as the other information contained in this PDS before investing in the Fund.

Skyring Capital unable to make coupon payments or repay Notes upon redemption

The key risk is that Skyring Capital is not able to make coupon payments or repay the face value of the Notes upon redemption. Skyring Capital is reliant on borrowers to make interest payments and repay the loan principal in accordance with the loan terms in order to meet its obligations under the Notes.

Further, the loans made by Skyring Capital as at the date of this PDS are a combination of fixed and variable rate loans and Skyring Capital anticipates future loans will also be a combination of fixed and variable rate loans. For variable rate loans, increases in the variable rate will increase the borrower's interest rate payments and may result in higher levels of non-payment of interest and loan defaults. Such circumstance would adversely impact Skyring Capital's ability to make coupon payments on the Notes.

As the coupon rate on Notes is a variable rate determined by us from time to time, frequent and/or significant increases in the coupon rate on Notes may impact Skyring Capital's ability to make coupon payments on the Notes even where borrowers are paying interest on their loans in accordance with their obligations, if the coupon payments

6. Benefits and Risks of Investing

payable by Skyring Capital on the Notes exceed the interest payments it receives from borrowers. This is because, for fixed rate loans, Skyring Capital will not be able to increase the interest rate charged to borrowers to reflect increases in the coupon rate and, for variable rate loans, Skyring Capital may not be able to increase the interest rate charged to borrowers to reflect increases in the coupon rate where such increases occur independently of, or are higher than, increases in the variable rate applicable to loans.

If Skyring Capital does not meet its obligations under the Notes, it will adversely impact the Distribution rate paid to investors and may result in investors not receiving a return, suffering a capital loss or both.

Reliance on Skyring Capital

The Fund is reliant on Skyring Capital to source, approve, manage and recover loans and to operate in accordance with its Lending Policy. If Skyring Capital fails to diligently and appropriately perform these functions and makes inappropriate loans, does not manage loans effectively or does not take appropriate and timely enforcement action, it will increase the risk of Skyring Capital defaulting on its obligations under the Notes and impact the value and performance of an investment in the Fund.

Inadequacy of Note security

The Notes will be secured by a first-ranking general security interest over the assets and undertaking of Skyring Capital. However, Skyring Capital's assets will predominantly comprise the loans it makes to borrowers and security obtained to enforce those loans. If a borrower defaults on its obligations and Skyring Capital is unable to recover the entire amount owing by the borrower upon enforcement of the security resulting in Skyring Capital defaulting on its payment obligations under the Notes, it is unlikely the Fund will recover the shortfall from enforcing its security over Skyring Capital.

Further, no valuation will be undertaken of Skyring Capital prior to the Fund investing in Notes or the time of any subsequent subscription for Notes and we are not responsible for the ensuring the adequacy of valuations of security property for loans made by Skyring Capital.

Variable coupon rate

The coupon rate of each Note is a variable rate which is determined by us and notified to Skyring Capital from time to time. Changes to the coupon rate payable on the Notes will impact the distribution rate payable to investors.

6. Benefits and Risks of Investing

Note increments

The Fund can subscribe for Notes in increments of \$1,000 and Skyring Capital is required to issue Notes subscribed for by the Fund. The minimum loan amount for loans made by Skyring Capital is expected to be no less than \$200,000. As the Note increments are smaller than the loans which Skyring Capital will make, Skyring Capital may hold Note proceeds upon which it is required to pay the coupon rate but will not advance these funds to a borrower. Consequently, Skyring Capital will need to fund the coupon payments on those Notes from its own resources (such as fees charged to borrowers).

There is a risk Skyring Capital may not have sufficient financial resources to fund such payments which will constitute an event of default and adversely impact the payment of distributions to investors.

Lack of diversification

The Fund will only invest in Notes, and hold cash held pending investment in Notes, distribution to investors or payment of our fees. Therefore, an investment in the Fund will not offer diversification. While Skyring Capital aims to achieve a diversified loan portfolio, as the Fund's only investment (other than a cash holding) will be the Notes, if the Notes fail to perform as expected it will adversely impact the performance in the Fund.

Lending risk

Skyring Capital is primarily a lending business and, consequently, the Fund, via its investment in Notes, is subject to the risks of providing secured loans to borrowers. These risks include inadequacy of security, independent valuations may be flawed, the costs of enforcing security and taking action to recover loan principal and outstanding interest, and concentration of loan portfolio. Construction and development loans pose additional risks such as costs overruns and the potential for changes in market conditions during the construction period.

Related party and conflict of interest risk

The key risk posed by investing in Notes issued by a related party is that we may fail to sufficiently:

- (a) the performance of obligations by;
- (b) take action against; or
- (c) in the event of a default, enforce our security against,

Skyring Capital, to the detriment of investors.

We manage such risks and potential conflicts of interest by adhering to our Conflict Policy and with the assistance of our Compliance Committee (which has a majority of independent members).

6. Benefits and Risks of Investing

Liquidity risk

An investment in the Fund should be treated as an illiquid medium to long-term investment because there is no secondary market for Units. If you wish to exit your investment prior to doing so through making a Withdrawal Offer, you will need to find a buyer for your Units.

We will maintain a list of proposed buyers and sellers of Units and investors can be added to, or obtain a copy of, the list by contacting us using the details in the Corporate Directory. If you wish to sell your Units, you will need to contact a potential buyer and privately agree the terms of any sale, including price, as we will not list buy or sell prices or facilitate the sale or purchase of Units.

Compliance risk

If we fail to comply with our AFS Licence conditions, the Constitution, Compliance Plan or Corporations Act it will likely have an adverse impact on you and the value of your investments. This may result in:

- (a) the Fund being wound up; or
- (b) ASIC taking action to remove us as the responsible entity.

Key personnel risk

This is the risk that changes in our management or the loss of key personnel may result in us not adequately monitoring and overseeing the approval, management and enforcement of loans thus increasing the risk of policies and procedures not being adhered to.

Regulatory risk

There is a risk that changes to the regulatory environment or the financial services industry may, either directly or indirectly, affect the value of an investment in the Fund.

Taxation risk

Australian tax laws are constantly in a state of flux with the introduction of various taxation amendments which may affect you.

Tax liability is your responsibility. We are not responsible for the taxation consequences of an investment in the Fund. You should consult your own taxation adviser to ascertain the tax implications of your investments. See section 8 for further information.

Macro economic risk

The general state of the Australian and international economies, as well as changes in taxation, monetary policies, interest rates and statutory requirements may affect:

- (a) a borrower's ability to meet its obligations under the loan agreement and, consequently, Skyring Capital's ability to meet its obligations under the Notes; or
- (b) the Fund's performance negatively and thus the value of your investment.

7. Fees and Costs

7.1 CONSUMER ADVISORY WARNING

The Corporations Regulations 2001 requires us to include the following standard consumer advisory warning. This warning is required to be inserted into all product disclosure statements and is not specific to this PDS.

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 fees. 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) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

7. Fees and Costs

7.2 FEES AND OTHER COSTS

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.

Information about taxes is set out in section 8.

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
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND ¹		
ESTABLISHMENT FEE The fee to open your investment	Nil	N/A
CONTRIBUTION FEE The fee on each amount contributed to your investment	Nil	N/A
WITHDRAWAL FEE The fee on each amount you take out of your investment	Nil	N/A
EXIT FEE The fee to close your investment	Nil	N/A
INVESTMENT SWITCHING FEE The fee for changing investment options	Nil	N/A
BUY-SELL SPREAD An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	N/A

1. You can elect to pay your adviser an Ongoing Advice Fee. Please refer to 'Adviser remuneration' in the 'Additional explanation of fees and costs' section below for further details.

7. Fees and Costs

7.2 FEES AND OTHER COSTS (CONT.)

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
ONGOING ANNUAL FEES AND COSTS		
MANAGEMENT COSTS The fees and costs for managing your investment ² .	MANAGEMENT FEE The management fee is 0.77% per annum of the gross asset value of the Fund. We pay ordinary Fund expenses from our management fee or our other resources.	The management fee is calculated and payable monthly in arrears and deducted from the Fund. The management fee will typically be paid from the coupon payments paid by Skyring Capital prior to the payment of Distributions to investors. Extraordinary expenses are paid from the Fund assets where applicable. Please refer to 'Management fees' and 'Fund expenses' in the 'Additional explanation of fees and costs' section below for further details.
PERFORMANCE FEES Amounts deducted from your investment in relation to the performance of the product	Nil	N/A
TRANSACTION COSTS The costs incurred by the scheme when buying or selling assets	Nil	N/A

2. The amounts shown are necessarily estimates only of management costs. Actual amounts will differ from this estimate

7. Fees and Costs

7.3 EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the ongoing annual fees and costs for the Fund can affect your investment over a one-year period. You should use this table to compare this Fund with other products offered by managed investment schemes.

EXAMPLE		Balance of \$50,000 with total contributions of \$5,000 during year
CONTRIBUTION FEES	Nil	For every additional \$5,000 you put in you will be charged \$0. ¹
PLUS MANAGEMENT FEES AND COSTS	0.77% per annum	And , for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment \$385 each year. ²
PLUS PERFORMANCE FEES	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year.
PLUS TRANSACTION COSTS	Nil	And , you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS COST OF FUND		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 ¹ during that year, you would be charged fees and costs of \$385 . What it costs you will depend on the fees you negotiate. ³

1. It is a requirement of the Corporations Regulations that the above example assumes a balance of \$50,000 and an additional contribution made at the end of the period of \$5,000.

2. Management fees of \$385. This fee is typically deducted from the coupon payments made by Skyring Capital and not deducted from the amount you invest.

3. The management costs for the Fund are not negotiable for retail clients.

7. Fees and Costs

7.4 ADDITIONAL EXPLANATION OF FEES AND COSTS

Management Fee

This is the fee payable to us for operating the Fund. This fee will typically be paid from Skyring Capital's coupon payments and not deducted from the amount you invest. However, if Skyring Capital defaults and we enforce the Fund's rights under the Notes we may pay our management fee from amounts (if any) the Fund recovers from Skyring Capital.

We will pay ordinary Fund expenses associated with the Fund from our management fee or our other resources.

Under the Constitution, we are entitled to a maximum management fee for managing the Fund of up to 5.5% per annum of the value of the gross asset value of the Fund.

We reserve the right to delay or waive payment of the above fees at our discretion.

Fund Expenses

Generally, we will pay the expenses incurred in connection with the Fund (including the fees payable to the Custodian) from our own resources and they will not form part of the management costs.

However, if extraordinary or unusual expenses are incurred we may choose to recover these costs from the Fund. Examples of this type of expense include the costs involved in:

- (a) convening a meeting of investors;
- (b) termination of the Fund;
- (c) amending the Fund constitution;
- (d) defending or bringing of litigation proceedings; or
- (e) replacement of the responsible entity.

The management fees and costs amount in the table in section 7.2 above does not include any extraordinary expenses as none were incurred in the financial year ended 30 June 2024.

Removal fees

Under the Constitution, we are entitled to a fee of 2.2% of the value of the Fund's assets if we are removed as the responsible entity of the Fund (other than as a result of a determination by ASIC or an Australian Court, or an acknowledgement by us, of gross negligence in the management of the Fund or a material fiduciary breach). For example, if the Fund's gross asset value was \$10 million, we would be entitled to receive a removal fee of \$220,000 if removed as responsible entity. The management fee estimate in the table in section 7.2 above does not include any removal fee.

7. Fees and Costs

Adviser remuneration

If your adviser recommends you invest, or facilitates your investment, in this Offer, you can elect to pay them an advice fee of:

- (a) up to 1.1% of your application amount (**Upfront Advice Fee**);
- (b) up to 0.045% per month of your investment balance with such amount payable from the distributions you receive on your investment (**Ongoing Advice Fee**); or
- (c) both (a) and (b),

by marking the appropriate boxes on the Application Form.

You can also authorise the payment of the Upfront Advice Fee to your adviser in relation to any further investments in the Fund. The Ongoing Advice Fee will apply to any further investments as it is calculated by reference to the

total value of your investment in the Fund.

You can also authorise your adviser to pay all or part of the Upfront Advice Fee and/or Ongoing Advice Fee to your personal financial planner, being the individual who advises you and who is an authorised representative or a representative of your adviser.

The Upfront Advice Fee, up to 1.1% of your application amount, is negotiated by you with your adviser and you authorise us to pay that amount to your nominated adviser out of your application moneys at the time Units are issued to you. This fee is not paid by the Responsible Entity or the Fund.

For example, if the application amount you paid to us is \$20,000, and you have directed us on your Application Form to pay an Upfront

Advice Fee of 1.1% of your application moneys, we will pay your nominated adviser an amount of \$220 from your application amount and the remaining \$19,780 will be invested in the Fund and 19,780 Units issued to you.

The Ongoing Advice Fee, up to 0.045% per month of your investment balance and calculated monthly in arrears, is negotiated by you with your adviser, and you authorise us to pay that amount to your nominated adviser out of your monthly distributions (if any) at the time they are payable to you. This fee is not paid by the Responsible Entity or the Fund.

For example, if your investment balance at the end of a month was \$20,000 and you requested we pay your adviser an Ongoing Advice Fee of 0.045% per month of your investment balance, your adviser

would be entitled to an Ongoing Advice Fee of \$9 for that month.

We would deduct this amount from your Distribution for that month and pay it to your adviser on your behalf. If no Distribution was payable for that month, we would deduct the fee from your next Distribution and pay it to your adviser on your behalf.

We will continue to pay the Ongoing Advice Fee to your adviser until you instruct us to stop. You can also change the amount of your Ongoing Advice Fee (up to the maximum fee of 0.045% per month). Instructions to cease, or to change, your Ongoing Advice Fee must be notified to us in writing and the cessation or change will apply from the month following the month in which we receive your notification. If you withdraw all of your investment, no further Ongoing Advice Fee is payable.

7. Fees and Costs

7.4 ADDITIONAL EXPLANATION OF FEES AND COSTS (CONT.)

Skyring Capital fees

Skyring Capital may also charge fees to borrowers, such as loan establishment fees and loan repayment fees. These fees will be retained by Skyring Capital and are not payable to the Fund or Responsible Entity.

Differential fee arrangements

We may negotiate different fee arrangements, such as fee rebates, waivers or reductions, for wholesale clients. Such differential fee arrangements will be by individual negotiation with us.

Fee entitlement

Notwithstanding anything else contained in this PDS, we are entitled to be paid our fees and reimbursed for Fund expenses from the assets of the Fund, prior to Distribution payments being made to investors.

GST and stamp duty

All fees stated in this PDS include (if applicable):

- (a) GST less any reduced input tax credits; and
- (b) stamp duty.

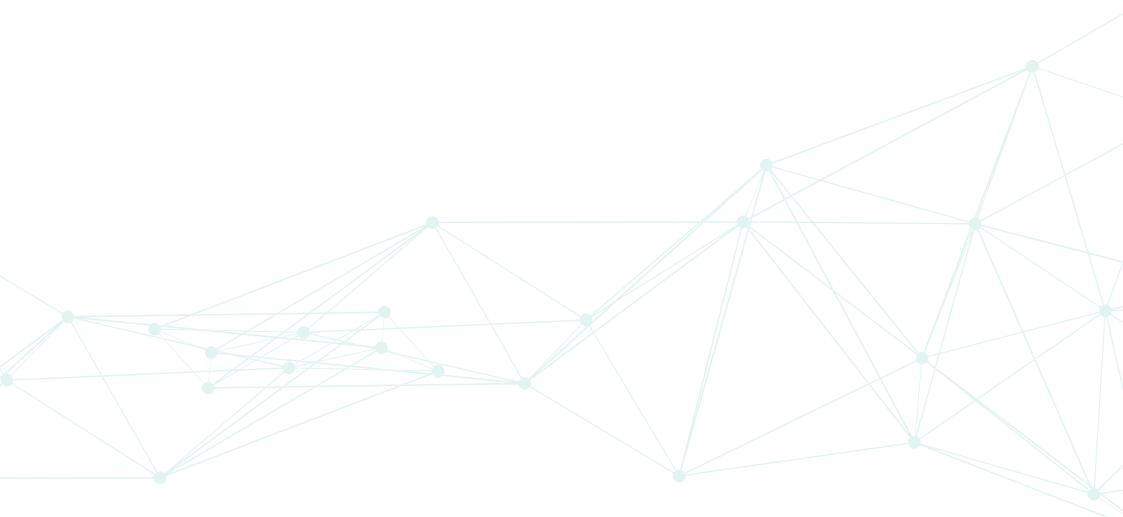


Incidental fees

We may charge fees where provided for under the Corporations Act. For example, a \$10 fee to provide a copy of the Constitution.

Referral fees

We may, at our discretion, pay individually negotiated referral fees to introducers of wholesale clients (as per section 761G of the Corporations Act) or sophisticated investors (as per section 761GA of the Corporations Act) to the Fund. These fees will be paid by us from our own resources and not from the assets of the Fund.



8. Taxation

8.1 GENERAL INFORMATION ONLY

Australian tax laws are complex and are subject to constant change. The views in this PDS are based on law and announcements current in Australia as at the date of this PDS. It does not take into account or anticipate any changes in the tax law or future judicial interpretations of the law after this time, nor does it take into account the tax law of countries other than Australia.

The taxation comments in this section are general in nature by necessity and the taxation implications may vary for each investor depending on their particular circumstances. Accordingly, we recommend you seek your own professional advice regarding the taxation implications associated with an investment in the Fund.

In this respect, the taxation comments below are only relevant for Australian resident investors.

They are not relevant for investors who may be subject to special tax rules such as banks, insurance companies, managed investment trusts, tax exempt organisations and dealers in securities.

You may be required to pay tax in relation to your investment in the Fund (generally income tax). However, you may be able to claim some tax offsets or have the benefit of some tax concessions.

Some tax information has been provided for you below. However, although every care is taken, it is never possible to rule out the risk that on a subsequent review, taxation liabilities for the Fund could be increased or the benefit of concessions reduced.

8.2 DISTRIBUTIONS

Under current legislation the Fund will not be subject to taxation provided its taxable income (including assessable realised capital gains) is distributed in full to investors.

The Fund will fully distribute its distributable income, calculated in accordance with the Constitution and applicable taxation legislation, to investors who are entitled to the income under the Constitution. Should realised capital losses arise, they are not distributed to investors but are retained in the Fund to be offset against any future realised capital gains.

8.3 INCOME TAX

You may be liable to pay income tax on Distributions received from the Fund depending on your total taxable income and your income tax rate.

The tax impact for you in relation to Distributions from the Fund will depend on:

- (a) your personal tax position;
- (b) your marginal tax rate; and
- (c) the composition of the Distribution, i.e. the proportion of income or tax offsets making up the Distribution.

We will send you an annual statement indicating the taxable and non-taxable component of Distributions (including any tax offsets) for the financial year, to assist in the preparation of your income tax return.

8. Taxation

8.4 CAPITAL GAINS TAX

There should be no capital gains tax liabilities for investors as the capital amount returned to investors will generally equal the amount initially invested, except if the Fund suffers a loss.

8.5 TRANSFER DUTY

Depending on the application of relevant State and Territory laws, transfer duty may be payable upon the transfer of Units. Investors should seek professional advice in relation to the application of transfer duty prior to transferring Units.

8.6 TAX FILE NUMBERS – AUSTRALIAN RESIDENTS

You can choose whether to provide your Tax File Number (TFN) on your Application Form. If you do not provide your TFN or claim an exemption, we are required to deduct tax at the highest marginal rate, plus the Medicare Levy (currently 47%), from your Distributions. We are authorised to collect TFNs under Australian tax law.

If you are a business taxpayer you may provide us with an ABN instead of a TFN.

8.7 GOODS AND SERVICES TAX (GST)

The issuing and redemption of Units will not be subject to GST.

GST is not payable on a transfer of Units. However, GST may be incurred on services that you acquire in relation to the acquisition, disposal or redemption of Units (such as legal or accounting advice). You should seek advice about whether you are entitled to claim input tax credits in respect of GST on those costs.

GST is not payable on Distributions made to you.

8. Taxation

8.8 WITHHOLDING TAX (OVERSEAS INVESTORS)

We may be required to withhold amounts from Distributions paid to overseas investors. Overseas investors should seek independent advice as to the application of withholding tax to their particular circumstances.

8.9 FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (**IRS**) to identify and collect tax from US residents that invest in assets through non-US entities.

If you are a US resident for tax purposes, you should note that the Fund is a 'Foreign Financial Institution' under FATCA and complies with its FATCA obligations, as determined by the inter-governmental agreement entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund must obtain and disclose information about certain investors to the Australian Taxation Office (**ATO**).

In order for the Fund to comply with its obligations, we require that you provide certain information about yourself, including your US Taxpayer Identification Number. We will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received.

8.10 COMMON REPORTING STANDARD (CRS)

The CRS is a tax reporting regime developed by the Organisation for Economic Co-operation and Development (**OECD**). Australia has committed to implementing the CRS by signing the Multilateral Competent Authority Agreement with the OECD and passing appropriate supporting legislation enabling tax information to be exchanged between tax authorities.

The CRS requires financial institutions to identify and report foreign resident account holder information to their local tax authority, which will in turn exchange the information with the tax authorities of participating foreign jurisdictions.

8. Taxation

8.11 NOT TAX ADVICE

This tax summary is not tax advice. It is provided by us as a general statement relating to high level Australian tax implications for an investor in the Fund. It does not address all tax consequences of an investment in the Fund, or investments by the Fund. Investors should seek their own independent advice as to how an investment in the Fund might affect their personal tax position.

We are not licensed under the tax agent services regime and cannot provide tax advice to investors. This section is intended to be a general guide only and is not intended to be definitive advice, nor relied upon as such. As the taxation outcomes will depend on individual investors' personal circumstances, it is recommend that all investors consult with their taxation adviser in relation to how these outcomes may apply to them.



9. Material Documents

9.1 BACKGROUND

We consider that certain documents are material to the operations of the Fund and may be relevant to you. A description of material documents, together with a summary of the more important details of each of these documents, is set out below.

9.2 CONSTITUTION

The Constitution establishes the Fund and governs your rights and obligations as an investor in the Fund. Investors are bound by the provisions of the Constitution. The Constitution and the Corporations Act regulate the operation of the Fund and set out the rights and liabilities of investors and of our responsibilities and duties as the responsible entity.

The Constitution includes provisions which relate to:

- (a) the responsible entity's powers, duties and obligations;
- (b) the rights and obligations of investors;
- (c) the ability of investors to remove the responsible entity
- (d) the issue of Units and the procedure for the redemption of Units;
- (e) the transfer and transmission of Units;

- (f) the valuation of the Fund;
- (g) fees payable to the responsible entity;
- (h) the responsible entity's right to be indemnified by the Fund for expenses, losses and liabilities arising in its capacity as responsible entity providing it has properly performed its duties;
- (i) the winding up of the fund;
- (j) meetings of investors;
- (k) complaints and procedures in relation to the Fund; and
- (l) the responsible entity's limitation of liability (subject to the Corporations Act).

We may amend the Constitution without investor consent where we reasonably believe the amendment will not adversely affect investors' rights. Otherwise, the Constitution can only be amended where at least 75% of votes cast by investors

(at a meeting convened in accordance with the Constitution and the Corporations Act) vote in favour of the amendment.

We may retire, or be removed as responsible entity by investors, in accordance with the Corporations Act.

Investors may view a copy of the Constitution at our registered office during business hours. A copy of the Constitution may be obtained by searching ASIC records or by written request to us and a payment of a fee (currently \$10).

9. Material Documents

9.3 COMPLIANCE PLAN

We have prepared a Compliance Plan which has been lodged with ASIC. The Compliance Plan is a document that outlines the principles and procedures in relation to the conduct of the Fund that we follow to ensure we comply with the provisions of the Corporations Act, ASIC policies and the Constitution.

The Compliance Plan deals with a wide range of issues including:

- (a) that the assets of the Fund are identified as assets of the Fund;
- (b) ensuring the Compliance Committee functions properly; and
- (c) that accurate records of the Fund's operations are kept.

Each year, adherence to the Compliance Plan is audited by an external Compliance Plan auditor and the audit report is lodged with ASIC.

The Compliance Plan may be viewed at our offices during normal business hours.

9.4 NOTE SUBSCRIPTION DEED

A Note Subscription Deed has been entered into between the Fund and Skyring Capital. A summary of the key terms of the Note Subscription Deed is set out below. This summary is not a comprehensive statement of the parties' rights and obligations which apply under the Note Subscription Deed.

Classification of Notes

The Notes are redeemable secured notes issued by Skyring Capital. Each Note has a face value of \$1. The Notes are not convertible into shares or any other securities. The Notes will not be quoted on any stock exchange.

Purpose and use of funds

Funds raised from the issue of Notes to the Fund must be used by Skyring Capital to:

- (a) provide loans for existing property, acquisition of property, property development and construction, and business

growth and acquisition, and Skyring Capital will provide loans relating to properties and business located throughout Australia; or

- (b) fund the redemption of existing Notes.

Minimum Subscriptions

Subscriptions for Notes must be in increments of \$1,000.

Coupon rate and payments

The coupon rate on Notes is a variable rate which is determined by the Fund and notified to Skyring Capital from time to time, but not more frequently than monthly. Any changes to the coupon rate apply to all Notes on issue. The coupon rate is expressed as a percentage per annum of the face value of Notes and is calculated daily.

Coupon payments must be made to the Fund monthly in arrears within two Business Days of the end of the month.

9. Material Documents

9.4 NOTE SUBSCRIPTION DEED (CONT.)

The Fund and Skyring Capital may also agree that a higher or lower coupon rate will apply to Notes issued during a certain period and apply for such duration as agreed between the parties.

Maturity

Each Note matures on the fifth anniversary of the issue date of the Note. On maturity, the Notes must be redeemed by Skyring Capital.

Early redemption and cancellation

Notes may be redeemed for their face value by Skyring Capital prior to their maturity upon Skyring Capital giving at least 30 days prior written notice to the Fund specifying the date of redemption and the number of Notes to be redeemed.

Any redemption must be for Notes with a minimum combined face value of \$1,000.

Covenants

Skyring Capital covenants with the Fund that, for so long as one or more Notes are outstanding, Skyring Capital will maintain its corporate existence and carry on and conduct its business in the ordinary and usual course and will not:

- (a) issue any notes or grant a security interest that ranks in priority to the Notes; or
- (b) do anything which may give rise to a security interest over Skyring Capital to any party other than the Fund.

9. Material Documents

Events of default

The Fund may immediately require Skyring Capital to redeem all of the Notes outstanding or exercise its rights under the Note Security Deed if an event of default occurs in relation to Skyring Capital. Events of default include:

- (a) Skyring Capital failing to pay any amount in relation to Notes when due;
- (b) where any of the following occur;
 - i) Skyring Capital fails to make a coupon payment or pay the redemption amount on a Note when due;
 - ii) Skyring Capital becomes insolvent, is unable to pay its debts or enters into an arrangement with its creditors;
 - iii) Skyring Capital stops paying its debts or ceases to carry on business;
 - iv) any representation or warranty provided by Skyring Capital is incorrect or misleading in a manner the Fund considers material;
 - v) if, without the Fund's prior written consent
 - A) Skyring Capital disposes of or encumbers its assets other than in the ordinary course of business; or
 - B) any financial accommodation obtained by Skyring Capital becomes due and payable prior to the due date for repayment; or
 - vi) there is a change of control or ownership of Skyring Capital without the Fund's prior written consent; and
 - (c) an event occurs which, in the Fund's opinion, prejudices Skyring Capital's ability to meet its obligations under the Notes.

Skyring Capital must immediately notify the Fund if an event of default occurs under the Notes.

Assignment

Skyring Capital may not assign or transfer its rights under the Notes without the Fund's prior written consent.

The Fund may assign or transfer its rights under the Notes by giving notice to Skyring Capital.

Power of Attorney

Skyring Capital irrevocably appoints the Responsible Entity, or any two directors of the Responsible Entity, as its agent and attorney to execute all documents and do all things necessary to give effect to the Notes.

9. Material Documents

9.5 NOTE SECURITY DEED

Skyring Capital has granted, in favour of the Fund, a registered first-ranking general security interest over current and future assets and undertaking of Skyring Capital pursuant to a Note Security Deed (**Secured Property**).

The following is a summary of the terms and conditions of the Note Security Deed. The summary is not a comprehensive statement of each party's rights and obligations which apply under the Note Security Deed.

Restrictions on dealing with Secured Property

Skyring Capital must not create any other security interest in relation to the Secured Property. Skyring Capital must not dispose of The Secured Property' without the Funds prior written consent.

Event of Default

Any monies owing by Skyring Capital to the Fund will be immediately due and payable upon demand and the Note Security Deed enforceable upon the occurrence of an event of default. Events of default include:

- (a) Skyring Capital failing to pay the secured money when due;
- (b) Skyring Capital failing to perform any obligation contained in the Note Subscription Deed or Note Security Deed;
- (c) any representation or warranty provided by Skyring Capital in connection with the Note Subscription Deed or Note Security Deed being incorrect or misleading in a manner that the Fund considers material;
- (d) any security over any asset of Skyring Capital becoming enforceable;
- (e) an application being made or resolution passed for the winding up of Skyring Capital or to appoint a receiver, liquidator or manager to Skyring Capital;
- (f) Skyring Capital granting any security interest which ranks in priority to, or equally with, the Note Security Deed;
- (g) Skyring Capital alters its constitution in a manner which the Fund believes is detrimental to its interests without the Fund's prior written consent;
- (h) there is a change in control at either board or shareholder level of Skyring Capital without the Fund's prior written consent; and
- (i) any other event or situation occurring which, in the Fund's opinion, prejudices Skyring Capital's ability to perform its obligations under the Note Subscription Deed or Note Security Deed.

Application of money received

The money the Fund receives in enforcing its rights under the Note Security Deed must be applied in the following order:

- (a) firstly, in payment of any loss incurred by the Fund for which it is indemnified by Skyring Capital under the Note Security Deed;
- (b) secondly, in payment of the costs of appointing the receiver and of the Fund's, or the receiver's, expenses relating to the exercise of any power under the Note Security Deed; and
- (c) thirdly, in payment to the receiver of its remuneration.

9. Material Documents

Expenses

Skyring Capital agrees to pay or reimburse:

- (a) the costs of variation and discharge of the Note Security Deed;
- (b) the enforcement or waiver of any rights under the Note Security Deed; and
- (c) any taxes or fees and penalties which may be payable in connection with the Note Security Deed.

Continuing security

The Note Security Deed is a continuing security and remains in full force and effect until released by the Fund and applies to all present and future monies owing to the Fund.

Power of attorney

Skyring Capital irrevocably appoints the Responsible Entity, or any two directors of the Responsible Entity, as its agent and attorney to do anything necessary to give effect to the Note Security Deed.

Assignment

Skyring Capital may not assign its rights under the Note Security Deed, except with the Fund's prior written consent. The Fund may assign its rights and obligations under the Note Security Deed, without the consent of, or the giving of prior notice to, Skyring Capital.

9.6 CUSTODY AGREEMENT

We have entered into a Custody Agreement appointing MSC Certane as custodian of the Fund. MSC Certane is an independent custodian who will hold the assets of the Fund. The Custodian acts on our instructions and the duties of the Custodian pursuant to the agreement include:

- (a) holding assets of the Fund as our agent in our capacity as responsible entity of the Fund;
- (b) acting on the specific instructions given by us or our authorised representatives; and
- (c) ensuring that the Custodian acts, insofar as its duties are concerned, in accordance with the Corporations Act.

Under the Custody Agreement, we, as responsible entity, indemnify the Custodian in relation to its properly performed services as custodian of the Fund.

10. Additional Information

10.1 NATURE OF INVESTMENT

The Fund is a unit trust established by the Constitution. When you invest in this Offer you acquire Units that, at the time of acquisition under this PDS, are priced at \$1 each. Your investment in the Fund entitles you to share proportionately in the income generated by the Fund. When you redeem your investment we will redeem the Units you hold in the Fund.

10.2 SKYRING INDEMNIFIED

To the extent permitted by the Corporations Act and the law, we, as responsible entity, are indemnified out of the Fund against any claim, action, damage, loss, liability, cost, expense or payment which we incur or are liable for, provided that it does not arise from our failure to properly perform our duties.

10.3 INVESTOR'S LIABILITY LIMITED

The Constitution seeks to limit the liability of investors to the amount of their investment plus other monies payable to us or the Fund pursuant to the Constitution (if any). However, because this is a matter which can only ultimately be determined by the courts, no assurance or guarantee is given that investors' liability will be limited in a manner discussed above.

10.4 COMPLAINTS

If you have a complaint about any aspect of your investment in the Fund, please write to us at:

Complaints Manager
Skyring Asset Management Limited
Level 2/2 Gardner Cl
MILTON QLD 4064

Alternatively, you can phone us on 1300 73 72 74 or email investor@skyring.com.au

We are a member of, and participate in the Australian Financial Complaints Authority (AFCA) an independent complaints resolution organisation. If an issue has not been resolved to your satisfaction, you can lodge a complaint with AFCA, using the contact details below. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)
In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

10. Additional Information

10.5 LABOUR STANDARDS AND SOCIAL, ETHICAL AND ENVIRONMENTAL CONSIDERATIONS

Neither we nor Skyring Capital explicitly take into account these considerations in investing assets and do not have a specific methodology for the extent to which these factors are considered.

10.6 UPDATED INFORMATION

Where there is a change to information which is not material to investors this updated information will be made available on our website at www.skyring.com.au (Updated Information). If you require a paper copy of any Updated Information please contact us using the details in the Corporate Directory and it will be provided without charge on request.

While this PDS and any Updated Information are up to date at the time of preparation, changes may be made to the Fund from time to time. Investors should ensure that they keep up to date with the latest information on the Fund.

To obtain this information either:

(a) visit our website at www.skyring.com.au; or

(b) phone us on 1300 73 72 74 (inside Australia) or +61 7 3363 1200 (from outside Australia).

A paper copy of the most recent information will be sent to you free of charge on request.

10.7 COOLING-OFF PERIOD

No cooling-off period applies in relation to applications made under the Offer.

10.8 UNIT PRICING POLICY

We have a policy for unit pricing discretions we use in relation to the Fund. Our unit pricing policy for the Fund and documents relating to the discretions we exercise are available, free of charge, on request and can be obtained by contacting us by email at investor@skyring.com.au or by phone on 1300 73 72 74.

10. Additional Information

10.9 DISCLOSING ENTITY

As a disclosing entity, the Fund is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. You have the right to obtain various financial reports lodged with ASIC for the Fund.

We satisfy our continuous disclosure obligations for the Fund by publishing material information on our website at www.skyring.com.au.

Any material information affecting the Fund will be placed on our website.

Accordingly, given the disclosure of material information will be made on our website, we are not be required to lodge continuous disclosure notices for the Fund with ASIC.

10.10 PRIVACY

The privacy of your personal information is important to us. We collect personal information directly from you through the Application Form and from third parties who assist us with our business. The purpose of collecting your information on the Application Form is to process your application and manage your investment in the Fund. If the personal information you provide to us is incomplete or inaccurate, we may not be able to work with you effectively, or at all, and may be delayed in performing our business functions.

If you invest in the Fund on the recommendation of your financial adviser, details of your investment and information about you will be provided to your financial adviser.

From time to time, we may wish to advise you about other services and products which could suit your needs. By making an application, you agree that we may disclose

your personal information to other corporations specifically, but not solely, for marketing purposes. We are not likely to disclose your personal information overseas.

All personal information collected will be collected, used and stored by us in accordance with our privacy policy, a copy of which is available on request or at our website listed below.

However, if you do not want this information to be used for this purpose, you must exercise your right to instruct us not to disclose any information concerning your personal information. You may do this by contacting us using the details in the Corporate Directory. However, we may still disclose personal information where required by law.

You are entitled to request reasonable access to, and correction of, your personal information. We reserve the right

to charge an administration fee for collating the information requested.

For a copy of our privacy policy and for information about how we deal with personal information, including how you can complain about privacy-related matters and how we respond to complaints, please visit our website at www.skyring.com.au.

MSC Certane may collect your personal information for primarily purpose of providing custodial services to the Fund and for ancillary purposes detailed in the Privacy Policy. MSC Certane may disclose your personal information, such as your name and contact details, along with your account information to its related bodies corporate, the Responsible Entity, professional advisers, the land titles office and/or as otherwise instructed by the Responsible Entity.

10. Additional Information

10.11 RELATED PARTY TRANSACTIONS

MSC Certane is also permitted to collect and disclose your personal information when required or authorised to do so by law. MSC Certane is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with MSC Certane's Privacy Policy.

The Privacy Policy contains information about how you may access or correct your personal information held by MSC Certane and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of MSC Certane's Privacy Policy at www.certane.com.

Skyring Capital has made loans to related parties. Any loans to related parties are on the same commercial basis as loans to unrelated parties and made in accordance with its Lending Policy (refer to section 4). We regularly monitor Skyring Capital's compliance with its Lending Policy.

Skyring Capital is a related party of the Responsible Entity, as both are wholly owned subsidiaries of the same parent company, and the Fund invests in Notes issued by Skyring Capital. We consider the Fund's investment in Notes is on arm's length terms and therefore approval of the Fund's members was not required. The risks associated with related party arrangements are discussed in section 6.2.

10.12 ELECTRONIC PDS

This PDS is available in electronic form at www.skyring.com.au. We will send, on request, any person receiving this PDS electronically, a paper copy of the PDS (and attached Application Form) free of charge during the period of the Offer. Applications must be made by completing a paper copy of the Application Form.

We will not accept a completed Application Form if we have reason to believe that the applicant has not received a complete paper copy or electronic copy of the PDS or if we have reason to believe that the Application Form or electronic copy of the PDS has been altered or tampered with in any way.

While we believe that it is extremely unlikely that during the period of the Offer the electronic version of this PDS will be tampered with or altered in any way, we cannot give any absolute assurance that this will not occur. If you are in doubt

about the validity or integrity of an electronic copy of the PDS you should immediately request a copy of the PDS directly from us or your adviser.

10. Additional Information

10.13 INVESTMENT BY OUR OFFICERS AND EMPLOYEES

Pursuant to the Constitution, our employees and officers are entitled to apply for Units. It is our policy to review any such application, which must be on the same basis as that of other applicants.

10.14 CONSENTS

Skyring Capital Pty Ltd has given, and not withdrawn, its consent to be named as the issuer of the Notes in the form and context in which it is named and for the inclusion of the information about it and its directors in section 3.3, the information in section 3.4 regarding arrangements with borrowers, details of its Lending Policy in section 4, information about its lending, valuation and operational practices in section 6.2, information regarding the fees it may charge to borrowers in section 7.4 and disclosure regarding loans to related parties in section 10.11 in the form and context in which these details are included.

Skyring Capital Pty Ltd has not caused or authorised the issue of, and takes no responsibility for, the PDS other than the inclusion of information referred to above.

MSC Certane has not withdrawn its consent to be named in this PDS as custodian of the Fund in the form and context in which it is named. MSC Certane does not make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by MSC Certane.

To the maximum extent permitted by law, MSC Certane expressly disclaims and takes no responsibility for any part of this PDS other than the references to its name. MSC Certane does not guarantee the repayment of capital or any particular rate of capital or income return.



Glossary

AFS LICENCE	an Australian financial services licence issued by ASIC.	CUSTODIAN OR MSC CERTANE	Certane CT Pty Ltd ABN 12 106 424 088.
APPLICATION FORM	the application form attached to this PDS.	CUSTODY AGREEMENT	the agreement between us and Custodian referred to in section 9.6.
ASIC	Australian Securities and Investments Commission.	DISTRIBUTION	the distributable amount that is distributed to investors holding Units during a Distribution Period.
BOARD	the Responsible Entity's board of directors.	DISTRIBUTION PERIOD	means the period to which a Distribution relates, namely a calendar month (subject to availability of Distributions).
BUSINESS DAY	a day other than a Saturday, Sunday or public holiday in Brisbane, Queensland.	ELIGIBLE INVESTOR	means an investor who is eligible to participate in a Withdrawal Offer as they have given us a Participation Notice and have held Units for 3 months prior to the date of the Withdrawal Offer.
CASH RATE	means official cash rate as determined from time to time by the Reserve Bank of Australia.	FUND	Skyring Fixed Income Fund ARSN 622 775 464.
COMPLIANCE COMMITTEE	the committee established by the Responsible Entity in accordance with the Corporations Act, as described in section 5.3.	LENDING POLICY	the manual documenting of Skyring Capital's policies and procedures for the making, monitoring, administration, discharge and enforcement of loans, as summarised in section 4.
COMPLIANCE PLAN	the compliance plan for the Fund.		
CONSTITUTION	the constitution for the Fund.		
CORPORATIONS ACT	the Corporations Act 2001 (Cth).		

Glossary

NOTE	means a secured redeemable promissory note issued by Skyring Capital to the Fund on the terms summarised in section 3.1.	RESPONSIBLE ENTITY, SKYRING, US, OUR AND WE	Skyring Asset Management Limited ACN 156 533 041 AFS Licence 422902.
NOTE SECURITY DEED	means the agreement entered into between the Fund and Skyring Capital in relation to the security for the Notes, referred to in section 9.5.	UNIT	a fully paid ordinary unit in the Fund.
NOTE SUBSCRIPTION DEED	means the subscription agreement entered into between the Fund and Skyring Capital pursuant to which the Fund subscribes for, and Skyring Capital issues, Notes, referred to in section 9.4.	UPDATED INFORMATION	is explained in section 10.6.
OFFER	means the offer of Units under this PDS.	WITHDRAWAL OFFER	means an offer to Eligible Investors to redeem Units made in accordance with the withdrawal provisions of the Corporations Act applying to non-liquid schemes.
PARTICIPATION NOTICE	means a notice given to us by an investor of their intention to participate in a Withdrawal Offer.		
PDS	this product disclosure statement.		
QUARTER	means a three month period ending 30 September, 31 December, 31 March or 30 June.		

Corporate Directory

RESPONSIBLE ENTITY

Skyring Asset Management Limited
ACN 156 533 041
AFS Licence 422902

REGISTERED OFFICE AND POSTAL ADDRESS

Level 2/2 Gardner Cl
MILTON QLD 4064

CONTACT DETAILS

Phone:
1300 73 72 74 (within Australia)
+ 61 7 3366 1200 (outside Australia)

Fax:
(07) 3363 1299

Email:
investor@skyring.com.au

Website:
www.skyring.com.au

RESPONSIBLE ENTITY'S SOLICITOR

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Level 11, Central Plaza Two
66 Eagle Street
BRISBANE QLD 4000

SKYRING

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