Supplementary Product Disclosure Statement

IMPORTANT INFORMATION

This Supplementary Product Disclosure Statement (**SPDS**) is dated 2 February 2026 and is supplemental to the Product Disclosure Statement dated 12 December 2024 (**PDS**) for the offer of Units (**Offer**) in the Alceon Debt Income Fund (ARSN 650 960 820) (**Fund**). This SPDS should be read in conjunction with the PDS. The information set out below is taken to be included in the PDS.

Defined terms and abbreviations included in this SPDS are set out in the Glossary in Section 9 of the PDS.

This SPDS is issued by Melbourne Securities Corporation Limited (ACN 160 326 545) (AFSL 428289) (**MSC Trustees**) as the responsible entity of the Fund.

INVESTMENT DECISIONS

This SPDS contains general information only. It has not been prepared having regard to your investment objectives, financial situation or specific needs. As a result, you should, before acting on the information, carefully consider the appropriateness of the information in light of your objectives, financial situation and needs and seek professional advice from your accountant, stockbroker, lawyer or other professional advisor before deciding whether to invest.

You should also carefully consider the Target Market Determination (**TMD**) for the Fund before making an investment decision. The TMD includes a description of who the Fund is appropriate for. A copy of the TMD is available on the Fund's Website.

You may request to receive this SPDS and the PDS online on the Fund's Website. If you are provided access the electronic version of this SPDS, you should ensure that you download and read this SPDS and the PDS in full.

A paper copy of this SPDS, the PDS or any updated information is available free of charge to any person by contacting the Fund's administrator on 1300 133 451 (between 9.00am and 5.00pm Sydney time on a Business Day).

PURPOSE OF THIS SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

The purpose of the SPDS is to provide prospective Investors with some updated information regarding the management of the Fund.

1. APEX Fund Services Ltd, the provider of unit registry services to the Fund is being replaced by Boardroom Pty Limited, ABN 14 003 209 836 from 2 February 2026.

   Therefore, reflecting this change the following applies from 2 February 2026:

   (a) All references in the PDS to APEX Fund Services Ltd, in the context of naming the unit registry service provider to the Fund (including in the Application Form), are now taken to be references to Boardroom Pty Ltd with the following contact details:
   Address: GPO Box 3993 Sydney NSW 2001
   Telephone: 1300 080 794 or +61 2 8023 5468
   Website: www.boardroomlimited.com.au
   Email: Alceon@boardroomlimited.com.au

CONSENTS

Where required by law, each of the parties named in the PDS and this SPDS has given their written consent to be named in the PDS and this SPDS in the form and context in which each is named and no party named as withdrawn its consent before the date of this SPDS.

Product Disclosure Statement
Alceon Debt Income Fund

ARSN: 650 960 820

12 DECEMBER 2024

MELBOURNE SECURITIES CORPORATION LIMITED
ACN: 160 326 545
AFSL: 428289

Important information

This is an important document and should be read in its entirety before you complete the Application Form.

The Alceon Debt Income Fund ARSN 650 960 820 ("Fund") is an Australian managed investment scheme registered with the Australian Securities and Investments Commission ("ASIC").

This document is a product disclosure statement ("PDS") for the purposes of Part 7.9 of the Corporations Act. This PDS is issued by the trustee and Trustee of the Fund, Melbourne Securities Corporation Limited (ACN 160 326 545 AFSL 428289) (Trustee).

The Trustee has appointed Alceon Real Asset Management Pty Ltd (Alceon, ARAM, Fund Manager, we, us), as the Fund's investment manager. ARAM is an authorised representative of the AFSL holder, Alceon Group Pty Ltd ACN 122 365 986, AFSL 345692. The Trustee has appointed APEX Fund Services Ltd (APEX) to provide custody, registry, and administration services for the Fund.

PDS

This PDS is dated 12 December 2024. It replaces the PDS dated 1 July 2023.

This PDS has not been lodged with ASIC and is not required by the Corporations Act to be lodged with ASIC. ASIC takes no responsibility for the contents of this PDS or the merits of the investment to which this PDS relates. Units issued under this PDS will be issued by the Trustee on the terms and conditions set out in this PDS.

No investment advice

This advice has been prepared without taking account of your objectives, financial situation or needs. As a result you should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs.

Before deciding to invest in the Fund, you should read this PDS in its entirety. You should consider all risk factors referred to in this PDS (including those in Section 4) and consider whether acquiring Units represents an appropriate investment in view of your personal circumstances. You should carefully consider your particular investment objectives, financial circumstances, and investment needs (including financial and taxation issues) and you should seek advice from your professional adviser before deciding whether to invest. You should consider the risk factors that could affect the financial performance of the Fund. There is no guarantee that the Units offered under this PDS will provide a return on capital, lead to payment of distributions or that there will be any increase in the value of the Units. If you wish to apply for Units, you must do so using the Application Form.

Authorised information

No person is authorised to give any information or to make any representation in connection with the Offer, which is not contained in this PDS. Neither the Trustee nor any other person associated with the Fund guarantees or warrants the future performance of the Fund, the return on an investment made under this PDS, the repayment of capital or the payment of distributions on the Units. Any information or representation in relation to the Offer not contained in this PDS may not be relied on as having been authorised in connection with the Offer by the Trustee or any other person that may have liability for the content of this PDS.

No Offer where offer would be illegal

This PDS does not constitute an offer in any jurisdiction other than Australia or to anyone whom it would not be lawful to make such an offer. No action has been taken to register or qualify the Units in any jurisdiction outside Australia. The distribution of this PDS outside Australia may be restricted by law and persons who come into possession of this PDS outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

Cooling-off rights

As a retail investor (as defined in the Corporations Act), who invests directly in the Fund, you are entitled to a 14 day cooling-off period during which you may change your mind about your investment. During that time, you may exercise your cooling-off rights by requesting your money be returned. The cooling-off period begins when your transaction confirmation is received by you or, if earlier, 5 Business Days after your units are issued. The Trustee is allowed to (and generally does) make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs. This may result in you receiving back less than you originally invested.

You may have capital gain/loss tax implications if you happen to receive more or less back than you originally invested.

Rights and obligations attached to Units

Details of the rights and obligations attached to Units are set out in the Constitution and some of the key provisions are explained in Section 6.18. A copy of the Constitution is available, free of charge, on request from the Trustee.

Electronic and printed PDS

This PDS will be available and may be viewed online at www.alceonre.com.au/adif. The information on the website does not form part of this PDS.

The Offer pursuant to this PDS is available to persons receiving a hard copy or electronic version of this PDS within Australia. The Trustee is entitled to refuse an Application for Units under this PDS if it believes the Applicant did not receive the Offer in Australia.

Applications for Units may only be made on either a printed copy of the Application Form attached to or accompanying this PDS or via the electronic Application Form attached to the electronic version of this PDS, available on the Fund Manager's website www.alceonre.com.au/adif. Units to which this PDS relates will only be issued on receipt of a validly completed Application Form issued together with the PDS whether it will be by a printed copy or an electronic Application Form.

Any person may obtain a paper copy of this PDS free of charge by contacting the Fund's administrator on1300 133 451 (between 9:00am to 5:00pm Sydney time on a Business Day).

Disclaimer

No person is authorised by the Trustee to give any information or make any representation in connection with the Offer that is not contained in this PDS. Any information or representation that is not contained in this PDS may not be relied on as having been authorised by the Trustee, its directors, or any other person in connection with the Offer. The Fund's business, financial condition, operations, and prospects may have changed since the date of this PDS.

Certain statements in this PDS constitute forward looking statements. These forward-looking statements are identified by words such as 'aim', 'anticipate', 'assume', 'believes' 'could', 'expects', 'intends', 'may', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would', and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance, or achievements to differ materially from anticipated results, implied values, performance, or achievements expressed, projected, or implied in the statements.

These forward-looking statements are based on current expectations, estimates, and projections about the Fund's business and the industry in which the Fund invests and the beliefs and assumptions of the Trustee. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Trustee's control. As a result, any, or all the forward-looking statements in this PDS may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Section 4.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The Trustee does not make any assurance, express or implied, in relation to whether any forward-looking statements will eventuate.

These forward-looking statements speak only as at the date of this PDS. Unless required by law, the Trustee does not intend to publicly update or revise any forward-looking statements to reflect new information, future events or otherwise. They are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

Some numerical figures in this PDS have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

Updated information

Information in this PDS may need to be updated from time to time. Any updated information that is considered not materially adverse to investors will be made available on the website: www.alceonre.com.au/adif and the Trustee will provide a copy of the updated information, free of charge to any investor who requests a copy by contacting the Fund's administrator on 1300 133 451 (between 9:00 am to 5:00pm Sydney time on a Business Day).

In accordance with its obligations under the Corporations Act, the Trustee may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

Miscellaneous

Photographs and diagrams used in this PDS that do not have descriptions are for illustration only and should not be interpreted to mean that any person in them endorses this PDS or its contents or that the assets shown in them are owned by the Fund.

Certain terms and abbreviations in this PDS have defined meanings that are explained in the Glossary in Section 9 of this PDS.

All references in this PDS to '$' are references to Australian dollars unless stated otherwise. The defined terms used throughout this PDS are set out in the Glossary in section 9. Any discrepancies between total and sums and components in tables contained in this PDS are due to rounding.

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Directory

Trustee	**Melbourne Securities Corporation Limited (ACN 160 326 545)**
Registered office	Level 2, 395 Collins Street Melbourne VIC 3000 Telephone: 1300 798 790 (Australia) or +61 3 9050 2000 (International) Email: trustee@msc.group Web: msc.group
Fund Manager	**Alceon Real Asset Management Pty Ltd (ABN 99 627 059 723)** Level 26, 1 O'Connell Street Sydney NSW 2000 Telephone: +612 8023 4000 Email: wealth.client@alceon.com.au Web: www.alceonre.com.au
Administrator and Custodian	**APEX Fund Services Ltd (ABN 81 118 902 891)** Level 10, 12 Shelley St Sydney NSW 2000 Telephone: 1300 133 451 or +612 8259 8888 Facsimile: +612 9251 3525 Email: registry@apexgroup.com
Unit Registry	**APEX Fund Services Ltd (ABN 81 118 902 891)** Level 10, 12 Shelley St Sydney NSW 2000 Telephone: 1300 133 451 or +612 8259 8888 Facsimile: +612 9251 3525 Email: registry@apexgroup.com

1 Investment overview

Feature	Overview	For More Information See Section
Investment Objective	To deliver an annualised total return of between 5 - 7% per annum. **Please note, this is an objective and not a forecast and may not be achieved. No returns are guaranteed.**	2.1
Investment Strategy	The Fund will seek to deliver on its Investment Objective by investing through Investment Entities, in loans issued to mid-market real estate owners and developers to finance real estate assets in Australia (primarily Sydney and Melbourne) and select opportunities in New Zealand denominated in Australian dollars. The Fund may also finance office, industrial and retail real estate assets. It is intended that the Fund will invest in loans to fund construction of such real estate assets, as well as to fund developed real estate assets. The Fund's investments will be made through investment in selected Investment Entities that are held by the underlying entity Alceon Real Estate Senior Credit Fund (ARESCF) or held directly by the Fund. It is the Investment Entities that will provide the loans.	2.2
Trustee	Melbourne Securities Corporation Limited ACN 160 326 545 AFSL 428289	3.1
Fund Manager	Alceon Real Asset Management Pty Ltd ABN 99 627 059 723. ARAM is an authorised representative of the AFSL holder, Alceon Group Pty Ltd, AFSL 345692.	3.2
Custodian and Administrator	APEX Fund Services Limited ABN 81 118 902 891, AFSL 303253, has been appointed by the Trustee as the custodian and will hold the assets of the Fund.	
Suggested minimum investment timeframe	3 - 5 years	6.3
Minimum Investment	The minimum investment in the Fund is $10,000 with $1,000 increments. The Trustee may accept lower amounts in its discretion.	6.4
Unit Price	The Unit price will be calculated on the last Business Day of each calendar month based on the net asset value of the Fund.	6.4, 6.8
Applications	Applications for Units can be made by completing the paper based or online Application Form. Units will be issued monthly, within 21 days of the end of each calendar month. All Applications received prior to 5pm (Melbourne time) on the last Business Day of the month will be processed in that month.	6.7
Risks	All investments carry varying amounts of risk. An investment in the Fund is subject to a few risks, including but not limited to: • Deployment risk. • Counterparty credit risk. • Security risk. • Diversification risk. You should read Section 4 carefully prior to investing.	4
Redemptions	The Fund Manager expects that the Fund will be liquid. Where the Fund is liquid, the Trustee intends to process redemption requests at the end of each month. However, under the Constitution the Trustee has up to 360 days from the receipt of a withdrawal request to process the redemption.	6.6

Feature	Overview	For More Information See Section
	To withdraw, you must provide the Trustee with at least a full calendar month's written notice of your intention to redeem or such shorter notice period that the Trustee may agree, in its discretion. This means for example, that if you were to lodge your redemption request during the month of April, then your request cannot be accepted prior to 31 May, being the end of the following month after your request was submitted, unless the Trustee agrees to waive the notice period, in which case your request would be processed on 30 April. The redemption is typically paid to investors 2 - 3 weeks after it has been accepted and must be paid within 21 days. In the scenario above, the redemption would be paid in week 2 or 3 of June. If redemption requests exceed 5 percent of the Fund's net asset value on the first day of the month (or such higher amount as the Trustee determines, in consultation with the Fund Manager), then they will be satisfied on a pro rata basis and any shortfall will roll over to the following month and will be treated as a new redemption request. This process will continue until the redemption request is fully satisfied. The Trustee, in consultation with the Manager, may suspend withdrawals in certain circumstances, including where there is insufficient liquidity or it is not possible to calculate the net asset value. Where the Fund is not liquid, redemptions can only be made pursuant to a withdrawal offer issued by the Trustee in accordance with the Corporations Act. Redemptions may also be satisfied by capital returned by borrowers, new investor inflows or from borrowings. You may also transfer your Units to another person in accordance with the procedure in the Constitution. There is no secondary market for Units and so there is no guarantee you will find a buyer for your Units should you wish to sell them. Any such transfer is subject to the approval of the Trustee.	
Fees & other costs	The Trustee will be paid an ongoing Trustee fee of up to 0.06% per annum of the gross asset value of the Fund, subject to a minimum fee of $70,000 per annum. The current fee payable is 0.05% per annum of the gross asset value of the Fund. The Fund Manager is entitled to on ongoing base management fee of 1.54% per annum of the net asset value of the Fund before fees and a performance fee of 15.38% of the outperformance over the Benchmark, subject to a High-Water Mark. The Trustee and the Fund Manager may also be reimbursed for other fees and expenses associated with the Fund.	5
Distributions	Net income distributions are intended to be made monthly, subject to available income. Distributions may occur on a less or more frequent basis at the discretion of the Trustee. Given the nature of the investments of the Fund, in particular the underlying investments where the interest is capitalised and only paid at the end of the facility term, only a portion of the income of the Fund may be paid monthly. The remaining income will accrue and be paid following maturity and repayment of the underlying investment. You also have the option to have your distribution reinvested in Units rather than paid in cash. To elect to participate in the distribution reinvestment plan, you can select the option on the Application Form. If you do not select the distribution reinvestment option of the Application Form, then your distributions will be paid in cash. You can change your election at any time by notifying the Administrator at least five Business Days prior to the last day of the calendar month. Returns are not guaranteed.	6.9
Taxation	An investment in Units is likely to have tax consequences for Investors. Investors should seek their own independent tax advice before making an investment in the Fund. Please see Section 7 of this PDS for more information.	7
Handling complaints	The Trustee has a complaint handling procedure and is also a member or an external dispute resolution body.	6.16

2 How the Fund Invests

2.1. INVESTMENT OBJECTIVE

The Fund's investment objective is to provide Investors with a total annualised return of between 5 – 7% per annum paid through an income stream, that is intended to be monthly, ultimately derived from a diversified pool of loans. This is a target and not a forecast. The Fund may not be successful in achieving this objective.

The underlying portfolio of loans held by the Fund is secured by registered first ranking mortgages held over Australian property and primarily finance real estate development, construction, and ownership across the east coast of Australia, with a small selection (a maximum of 20% of the Fund's capital) secured by first ranking mortgages held over property in New Zealand.

2.2. INVESTMENT STRATEGY

The Fund seeks to generate attractive risk-adjusted returns by providing funding indirectly to mid-market real estate owners and developers to finance residential real estate assets primarily in Sydney and Melbourne. The Fund may also provide finance for office, industrial and retail real estate assets. It is intended that the Fund will invest to fund construction of real estate assets, as well as to fund developed real estate assets. The Fund may also retain any amounts in cash or cash equivalents pending investment if the Trustee (on recommendation from the Fund Manager) considers it to be consistent with the investment objective of the Fund.

The Fund does not lend directly to the real estate companies. The Fund's investments will be made through in the acquisition of securities in selected Investment Entities that are held by the underlying entity ARESCF, or held directly by the Fund. Alceon is a leading Australian non-bank corporate lender and investment firm. All loans made by the Investment Entities are originated and managed by Alceon.

The following table sets out the Fund's asset allocation target and ranges (on a 'look through' basis).

Asset	Target Allocation	Target Range
Senior loans The Fund will invest in senior loans where the Loan to Value Ratio ("LVR") does not exceed 65 percent. The security value will be based on the forecast net realisable value of the real estate and in the case of a construction loan facility, the net realisable value of the real estate security will be determined on an "as if complete" basis.	95%	95- 99%
Cash or cash equivalents	5%	1 - 5%

The above asset allocations are a target only and the Fund may be outside of these targets from time to time. In particular, the Fund may not meet these target allocations while the Gross Asset Value of the Fund is below $75 million. The Fund may also exceed these target allocations for a limited period in instances where the forecast Fund cashflows project a return to compliance with these targets.

2.3. KEY INVESTMENT CRITERIA

- **High Quality Borrowers:** qualified, well capitalised, and resourced borrowers that can demonstrate a strong track record of successful delivery in their chosen markets.
- **High Quality Management:** quality of the borrower's management team is a prerequisite for investing.
- **Risk Management:** Construction delivery risk is further mitigated by focus on funding projects that have planning certainty and fixed price construction contracts.
- **Market Risk:** In addition to partnering with high quality borrowers, the Fund will minimise market risk by ensuring:
    - it is investing in good locations
    - the loans are appropriately secured, primarily via low loan-to-value ratios, and
    - where the security is under construction, ensuring that significant credit enhancements have been agreed upon prior to funding.

2.4. GEOGRAPHIC FOCUS

The Fund can diversify its underlying portfolio by geography across urban and select regional centres. Given the relative size of Sydney and Melbourne, representing approximately 40% of Australia's population, the Fund is more focussed on those two major cities due to continued population growth and infrastructure investment. Sydney and Melbourne can represent 100% of the portfolio combined or individually but the Fund's portfolio must have some exposure to assets in Sydney and/or Melbourne. The Fund may also allocate up to a maximum of 20% of its capital to select opportunities originated in the major population centres of New Zealand. The Fund will invest in Australian dollars.

The geographic allocations are a target only and the Fund may be outside of these targets from time to time the Fund may not meet these target allocations while the Fund size is below $75 million. The Fund may also exceed these target allocations for a limited period in instances where the forecast Fund cashflows project a return to compliance with these targets.

2.5. CAPITAL ALLOCATION

The Fund's proposed capital allocation process is primarily determined by the desire to minimise the periods that the Fund holds excess cash and therefore the Fund is likely to invest in the securities issued by the first Investment Entity within Alceon's pipeline that fits within the Fund's investment strategy and investment criteria. This may be either via ARECSF or directly.

Alceon has an Allocation Policy in place where it will allocate participation in opportunities on a fair and equitable basis, consistent with the investment objectives and guidelines of the funds and other investment programs it manages and taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends, and the respective investment programs and portfolio positions of the funds and the other investment programs. Such considerations may result in allocations of certain investments other than on a pari passu basis. Notwithstanding the foregoing, the Fund Manager will in general allocate participation in investment opportunities among the funds and the other investment programs on a pro rata basis in proportion to the relative net asset value.

The Fund will not use investment leverage, except for the purposes of meeting redemptions. The Fund may also retain cash or cash equivalents pending investment if the Trustee (on recommendation from the Fund Manager) considers it to be consistent with the investment objective of the Fund.

2.6. TYPES OF ASSETS

The Fund's primary assets will be securities issued by Investment Entities which may be held either by ARESCF or directly, with the only other asset being cash or cash equivalents. The securities will generally be in the form of loan notes issued by an Investment Entity and might be specific to one or more real estate financing transactions. The Fund (either directly or through ARECSF) is paid a return on its investment based on the terms of the underlying loan notes and such terms can vary between transactions.

Underlying loans

Alceon will undertake the day-to-day management of the Investment Entities while the borrowers of the loans will assume the day-to-day management role of the underlying real estate asset. The Investment Entities will make first mortgage loans to, proven borrowers with real estate opportunities where assets are in markets that are underpinned by strong supply and demand fundamentals. These transactions will generally not be rated or listed.

The underlying loans will vary in type, terms, covenants, and tenure. Generally, loans will fall into the following broad categories:

Asset Category	Financing Description
Land Finance	Acquisition of land.
Land Sub-division	Financing the civil construction of a land sub-division, which generally includes the roads, street scape, essential services, and registration of the sub-division.
Apartments	Construction of an apartment or series of apartment towers.
Houses, Townhouses	Construction of multi-housing developments which could represent attached or detached dwellings.
Commercial Asset	Financing the acquisition, development, or upgrade of a commercial asset.
Residual Stock	Financing completed residential stock.

Senior Loans

The senior loans held by the Investment Entities will be loans secured by first ranking security where the loan to value ratio ("LVR") does not exceed 65 percent.

The LVR is calculated on each loan by dividing the facility limit by the forecast net realisable value (i.e., expected gross sale proceeds minus GST and selling costs).

2.7. BORROWING AND LEVERAGE

Where deemed appropriate by the Trustee (on recommendation from the Fund Manager) for the purposes of meeting redemptions only, the Fund may employ leverage, including without limitation through borrowing cash, securities, and other instruments and by entering derivatives transactions and repurchase agreements. ARESCF and the Investment Entities may also employ leverage, which may provide an alternate source of liquidity for the Fund. Such direct borrowings or on a look through pro-rata basis will not exceed 30% of the Fund's net asset value, except in the case of derivatives which must not exceed 10% of the Fund's net asset value. The Fund may also pledge assets as security for such borrowings.

The Fund may also use derivatives to hedge against interest rate movements.

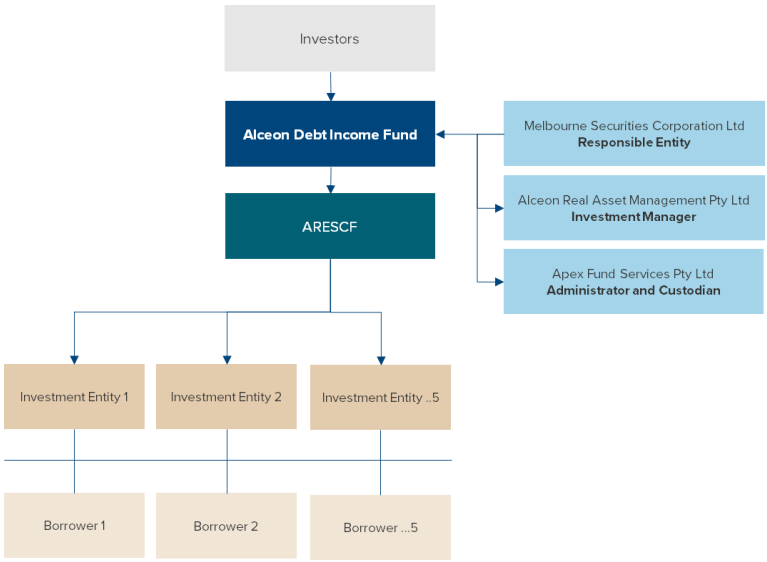
2.8. RISK MANAGEMENT AND INVESTMENT RESTRICTIONS

Subject to the exceptions stated below, the Fund (through the Investment Entities held by ARESCF or directly) will observe the following restrictions:

a) maximum dollar weighted average portfolio duration of 24 months (i.e., the average time between investing in a note and it being repaid, weighted based on the dollar value of the notes);
b) maximum of 20% or $50 million (whichever is greater) of the Fund's capital exposed to any single loan facility while the Fund has a gross asset value of less than $500 million; and
c) maximum of 10% of the Fund's capital exposed to any single loan facility while the Fund has a gross asset value of more than $500 million; and
d) maximum borrowing capacity for the purposes of redemptions of 30% of the Fund's capital, including borrowings of the Investment Entities (i.e., on a look through basis).

The Trustee, acting on the advice of the Fund Manager has the discretion to exceed these restrictions if it considers the objective of the Fund will be better achieved in doing so. At any time when the gross asset value of the Fund is below $75 million, the Fund may be outside the restrictions expressed in b), c) and d) above. The above restrictions apply as of the date of the relevant transaction or commitment to invest compared against the latest available asset value of the Fund. The restrictions shall not be treated as not being complied with if they are only the result of movements in the relative value of investments of the Fund after their acquisition or the exercise of rights arising in respect of such investments. The Fund may also not observe these target restrictions for a limited period in instances where the forecast Fund cashflows project a return to compliance with these targets within a reasonably short timeframe.

2.9. FUND STRUCTURE



NOTE: Whilst the above structure shows all investments in the Investment Entities occurring through ARESCF, the Fund may also make direct investments into Investment Entities.

3 Who is Managing the Fund?

3.1. TRUSTEE – MELBOURNE SECURITIES CORPORATION LIMITED

Melbourne Securities Corporation Ltd (**MSC**), part of the MSC Group, is a professional trustee firm, licensed by the Australian Securities & Investments Commission (**ASIC**) under Australian financial services licence No.428289.

MSC has been appointed as trustee of the Fund to represent and act in the interest of Investors, provide regulatory compliance oversight with the Act and with reference to ASIC guidance. In exercising its powers and duties as trustee of the Fund, MSC must:

- act honestly and in the best interests of Investors at all times;
- exercise a reasonable degree of care and diligence;
- treat each class of Unit holders equally and fairly;
- not make use of information obtained to gain an improper advantage or cause detriment to Unit holders;
- comply with the Fund's constitution and all applicable laws;
- ensure Fund property is separated from the property of MSC, the Fund Manager and other entities; and
- assume ultimate responsibility for any complaints by Investors or enquiries by ASIC.

In accordance with Act requirements, MSC is subject to independent financial audit. It is also subject to independent compliance audit on a minimum annual basis.

Contact details for MSC are provided in the Directory on page 1 of this PDS.

3.2. FUND MANAGER – ALCEON

The Trustee has appointed Alceon Real Asset Management Pty Ltd ABN 99 627 059 723 ("Alceon", "ARAM", "Fund Manager", "we", "us"), as the investment manager of the Fund, under an investment management agreement, to manage the assets of the Fund and originate investment opportunities for the Fund.

Alceon is a financier and multi-strategy alternative investment manager established in 2010 with funds under management of almost $6 billion (as of June 2024) across asset classes including real estate, private equity, and listed equities. Alceon invests capital for individual and institutional clients including, but not limited to, high-net-worth individuals, family offices, Australian superannuation funds, wealth management businesses, other asset managers, and corporates. Alceon has a team of over 80 investment and operations professionals with offices in Sydney, Melbourne, Brisbane, Perth and Auckland (NZ). Alceon is 100% privately owned by its staff. As of September 2024, Alceon has invested in and managed over 550 real estate transactions and provided close to $11 billion of real estate capital.

Alceon's management and principals target co-investment of between 5% and 10% at the underlying asset level.

The rights and obligations of the Fund Manager are set out in the terms of the investment management agreement which has been negotiated on an arm's length, commercial basis. There are no unusual or materially onerous terms (from an investor's perspective) in the investment management agreement.

- Under the investment management agreement, the appointment of the Fund Manager may be terminated in the following circumstances:
  - upon the occurrence of certain 'default' events, including, but not limited to, the Fund Manager going into liquidation or Alceon ceasing to carry on business; and
  - material breach of any provision under the agreement and the failure of the Fund Manager to correct such breach with 28 days.
- On termination, the Fund Manager will be entitled to receive any accrued fees and be reimbursed for any taxes, costs, charges, and expenses properly incurred in connection with the acquisition, disposal, or maintenance of any investment of the Fund.

4 Risks

4.1. INVESTMENT RISK GENERALLY

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. You should understand that:

- the value of your investment may go up and down;
- returns are not guaranteed;
- you may lose money; and
- historical performance is not necessarily indicative of future performance.

You should consider the risk factors in this section, as well as the other information contained in this PDS before deciding to invest in the Fund.

4.2. RISK VERSUS RETURN

All investments are designed to make a return and are subject to risk. This means that, as well as making money, there is also a chance that you could lose it. You might also think of risk as the possibility that your investments do not achieve your financial objectives. As a rule, the bigger the potential investment return, the higher the investment risk and therefore the longer the suggested investment timeframe.

The investment strategy of the Fund is to target investments which produce income with no capital growth, therefore the risk to the Fund is that income is reduced or there is none and that the Fund's assets will reduce in value and not recover.

4.3. INVESTMENT SPECIFIC RISKS

1. Real estate related assets

While not investing directly in real estate assets, the Fund will still be subject to the general risks incidental to the ownership of real estate related assets, including changes in general economic or local conditions, changes in supply of, or demand for, the particular property being financed and competing properties in an area, changes in interest rates and the availability of mortgage funds, changes in property tax rates and zoning laws and other regulations, the credit risks of joint venture partners, tenants and borrowers, the potential impact of environmental risks, terrorist activities, damage (by fire or otherwise) and the availability and sufficiency of insurance and the risk of expropriation. The marketability and value of any underlying properties related to the Fund's investments will, therefore, depend on many factors beyond the control of the Fund Manager and/or the Trustee, and there is no assurance that there will be either a ready market for investments related to such properties or that investments related to such properties will yield a positive cash flow.

Counterparty credit risk

Counterparty credit risk is the risk that a party to a credit transaction fails to meet its obligations, such as defaulting under a loan. This creates an exposure to underlying borrowers and the financial condition of issuers of the securities. The value of a security and cash flows can also be affected by changes in credit risk premium, defaults (i.e., when a borrower fails to pay interest or principal when it is due) and recovery risk (the severity of the capital loss incurred because of a default).

The performance of the Fund is dependent upon the ability of borrowers to pay interest and repay loans to underlying investments that the Fund has invested in. Despite assessing borrowers' suitability prior to providing loans and periodically reviewing loans, there is a risk that borrowers may fall behind their loan commitments or default on their loans due to an inability to meet their contractual obligations. This may result in the Fund suffering a loss.

The Fund’s income is dependent on borrowers fully meeting their commitments to underlying investments.

Repayment risk

A key objective of the Fund is to invest in loans that are secured by real estate mortgages, which are, by their very nature, illiquid investments. The principal method of liquidity for the Fund is for the borrower to repay the loan and in the event of borrower insolvency to sell or liquidate assets securing the loan.

Security risk

There is no guarantee that where there is a default by a third party on the Fund's underlying debt instruments, the security held will be sufficient or effective to cover any losses incurred because of the default. Where such security is insufficient or ineffective, this may result in a diminished return on Units for investors.

Diversification risk

The Fund’s investment portfolio may be less diverse than desired. Until the Fund has achieved desired longer-term diversification, an adverse event in relation to any single investment could have a materially adverse impact on the Fund and its assets.

Development loan risk

The Fund may be (on a look through basis) making loans for development purposes, and the risks associated with such loans are generally higher than those made for established properties. Examples of development specific risks include the following:

i. programme delays can occur from weather conditions and industrial relations disputes;

ii. construction or development costs can exceed budgeted costs and the borrower may be unable to complete the project unless the borrower can obtain further funds;

iii. if a borrower is unable to complete a project, then it may not be possible to sell the incomplete project and recover the loan principal;

iv. a change in market conditions could result in the project's value on completion being worth less than anticipated; and

v. if the loan is made to assist in the completion of a residential apartment project, then a change in market conditions during construction could result in purchasers failing to complete the purchase of their apartment and the apartments affected having to be re-sold. If the affected apartments cannot be sold at the same or higher price, then it may impact on the borrower's ability to repay the loan.

Documentation risk

A deficiency in documentation could, in certain circumstances, adversely affect the return on a loan. This may make it difficult to enforce the mortgage in respect of the loan and may also affect the ability to recover any penalties imposed against the borrower.

Valuation risk

The Fund's investments will not be listed or traded on a stock exchange or a securities market and as such may be illiquid and difficult to value.

4.4. FUND SPECIFIC RISKS

1. **Indirect investment**

As the Fund will invest in underlying investments through an Investment Entities, the Trustee will have no control over the day-to-day management of the underlying loans. The success of the Fund is dependent on the Fund Manager identifying suitable loans and then managing those loans to ensure that the loans are repaid. If the Fund Manager is unable to identify suitable loans, then this may negatively impact upon Investors' returns.

2. **Deployment Risk**

Given the investment strategy of the Fund, the ability to deploy capital will depend on the ability of the Fund Manager to identify suitable investments. Delay in deployment of capital will affect the returns of the Fund.

3. **Liquidity risk**

While the Fund Manager intends that the Fund will be liquid, it may become illiquid at any time due to a number of factors outside of the Fund Manager and the Trustee's control. Under the Constitution, the Trustee has 360 days to process a withdrawal request.

Where the Fund is illiquid, Investors have no right to redeem their Units, except as provided by the Trustee. While the Trustee does intend to provide for redemptions, these rights are limited and are not guaranteed.

You can transfer your Units to another person; however, there is no secondary market for Units and so there is no guarantee that you will find a buyer for your Units. This means should your circumstances change, there is no guarantee that you will be able to receive any return on your investment at the time you require it.

4. **Key person risk**

The Fund Manager is responsible for managing many aspects of the Fund. The Fund Manager has a team of qualified and experienced professionals. The loss of one of the Fund Manager's key staff has the potential to adversely affect the operations of the Fund.

5. **Manager strategy risk**

There is a risk that the Fund Manager or the Fund Manager's investment strategy will not achieve the performance objectives or produce returns that compare favourably against its peers. Many factors can negatively impact the Fund Manager's ability to generate acceptable returns e.g., loss of key staff. To the extent such investment strategy (or the assumptions underlying it) does not prove to be correct, the Fund may not perform as anticipated, which could result in substantial losses.

6. **Short operating history**

The Fund is a relatively new enterprise with a short operating history, prior to becoming a registered scheme. There can be no assurances that the Fund will achieve its investment objective. It is possible that an Investor could suffer a complete loss because of an investment in the Fund.

7. **Leverage**

The Fund has the power to borrow and may do so when deemed appropriate by the Trustee (on a recommendation from Fund Manager) for the purposes of meeting redemptions only. While leverage presents opportunities for increasing total returns, it has the effect of potentially increasing losses as well, as well as causing transactional costs. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent leverage is employed.

4.5. GENERAL RISKS

1. **Market risk**

There is a risk that investments may fall in value through the movement of investment markets (examples of investment markets include equity markets, property markets and fixed income markets). Economic, technological, political, legal and market sentiment can change and be reflected in the value of investment markets.

2. **Legal and regulatory risk**

It is possible that regulatory changes during the term of the investment could change the parameters or scope of the investment. Legal, tax and regulatory changes that may adversely affect the Fund could occur during the term of the Fund. This PDS cannot address or anticipate every possible current or future regulation that may affect the Fund, the Trustee or the Fund Manager or their businesses.

3. **Property market conditions**

Changes in property market conditions including supply, demand, and rental markets impact on the ongoing value of any property. Given that the Fund's investments will be exposed to the property sector, any downturn in that market may adversely affect the Fund's investments.

4. **Sector risk**

Sector risks include but are not limited to demand for the type of product or service a company produces or provides, commodity prices, the economic cycle of industry, shifts in consumer demands, lifestyle changes or advances in technology.

5. **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. The Trustee is 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.

6. **Macroeconomic risk**

The general state of the Australian and international economies, as well as changes in taxation, monetary policies, interest rates and statutory requirements may have a negative impact on the Fund's performance and on the value of your investment.

5 Fees and Other Costs

5.1. CONSUMER ADVISORY WARNING

DID YOU KNOW?

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

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

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

You may be able to negotiate to pay lower 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.

5.2. 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 assets of the Fund as a whole.

Information on taxes is set out in Section 7.

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

The fees set out below are inclusive of the net effect of GST (i.e., net of the amount of GST recoverable from the Australian Taxation Office as ITC or RITC).

Fees and costs summary

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs[1] The fees and costs for managing your investment	**Trustee fee:** 0.05% p.a. of the Fund's gross asset value.[3]	Calculated and accrued monthly and payable to the Trustee monthly in arrears from the assets of the Fund.
	Fund Manager fee: 1.54% p.a. of the Fund's net asset value.[4]	Calculated and accrued monthly and payable to the Fund Manager monthly in arrears from the assets of the Fund. These fees are negotiable.
	Fund expenses: 0.07% p.a of the Fund's net asset value.[5]	Payable to the service providers as and when incurred from the assets of the Fund.
	Indirect costs: 0% p.a. of the Fund's net asset value.[6]	Payable out of the Fund's assets or interposed vehicle's assets once the cost is incurred and reflected in the Unit price.
Performance fees[2] Amounts deducted from your investment in relation to the performance of the product	0.51% p.a. of the Fund's net asset value.[7]	Calculated and accrued monthly and payable out of the Fund's assets to the Fund Manager at the end of each financial year, when Units are redeemed and on the date of termination of the Fund Manager.
Transaction costs[1] The costs incurred by the scheme when buying or selling assets	Estimated at 0% p.a. of the Fund's net assets.[8]	Payable from the Fund's assets as incurred.

Type of fee or cost	Amount	How and when paid
Member activity related fees and costs (fees for services or when your money moves in or out of the Fund)		
Establishment fee The fee to open your investment	Nil	Not applicable.
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	Not applicable.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable.
Exit fee The fee to close your investment	Nil	Not applicable.
Switching fee The fee for changing investment options	Nil	Not applicable.

1. Management fees and costs and transaction costs are based on costs of the previous financial year ended 30 June 2024.

2. Performance fees are based on an average of the performance fees charged in the previous financial years since the Fund's inception (annualised). These amounts will change over time as the investments and performance of the Fund change.

3. See section 5.4(2) for further information about the Trustee fee.

4. See section 5.4(1) for further information about the Fund Manager fee.

5. See section 5.4(4) for further information about Fund expenses.

6. See section 5.4(5) for further information about indirect costs.

7. See section 5.4(3) for further information about performance fees.

8. See section 5.4(6) for further information about transaction costs.

5.3. EXAMPLE OF ANNUAL FEES AND COSTS FOR A BALANCED INVESTMENT OPTION

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

EXAMPLE		**BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING YEAR**
Contribution Fees	Nil	For every additional $5,000 you put in, you will be charged $0
PLUS Management fees and costs	1.66%	**And**, for every $50,000 you have in the Fund you will be charged or have deducted from your investment **$**830 each year
PLUS Performance fees	0.51%[1]	**And**, you will be charged or have deducted from your investment **$255** in performance fees each year
PLUS Transaction costs	0%[1]	**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 during that year, you would be charged fees and costs in the range of: **$1,085 to $1,193.50** [1] **What it costs you will depend on when you invested and the fees you negotiate.**

1 *Depending on when you make the additional $5,000 investment.*

5.4. ADDITIONAL EXPLANATION OF FEES AND COSTS

1. Fund Manager fee

The Fund Manager is entitled to an ongoing fee for managing the Fund of 1.54% per annum of the net asset value of the Fund. The disclosed rate of this fee is based on the ongoing fee charged by the Fund Manager for the previous financial year ended 30 June 2024. This fee is calculated and accrued monthly and is payable to the Fund Manager monthly in arrears from the assets of the Fund.

For example, if the net asset value of the Fund is $10 million throughout the year, then the Fund Manager will be entitled to an ongoing fee of approximately $12,833.33 per month. In addition, Alceon may receive establishment fees paid directly from the borrower of the underlying loans in which the Fund invests in.

2. Trustee fee

The Trustee is entitled to an ongoing fee for performing the role of trustee and responsible entity for the Fund of 0.05% per annum of the gross asset value of the Fund. The applicable percentage rate of the annual fee is calculated having regard to all managed investments scheme of which the Trustee is the trustee and responsible entity, and the Fund Manager is the investment manager; the higher the funds under management of the managed investment schemes, the lower the percentage rate of the fee. The disclosed rate of this fee is based on the trustee fee charged for the previous financial year ended 30 June 2024. This fee can increase to a maximum of 0.06% per annum of the gross asset value of the Fund. This fee is calculated and accrued monthly and payable to the Trustee monthly in arrears from the assets of the Fund.

For example, if the gross asset value of the Fund is $10 million throughout the year, then the Trustee will be entitled to an ongoing fee of approximately $416.67 per month.

3. Performance Fee

Pursuant to the terms of the Investment Management Agreement, the Fund Manager may be entitled to receive a performance fee should the Fund's performance exceed a certain level. To the extent this fee is earned, it will be paid to the Fund Manager from the assets of the Fund. The performance fee is calculated and accrues monthly and is paid (if payable) on the last day of each financial year during the term of the Investment Management Agreement.

The performance fee is only payable when, during the relevant calculation period (a calendar month), movements in the Fund's net asset value per Unit:

1. outperform the Benchmark, being a return of 5% p.a. ('out performance'); and
2. the Fund maintains or increases any earlier outperformance over the Benchmark. That is, the performance exceeds the prior High-Water Mark (see below for further details).

The outperformance will be calculated as follows:

(*The actual net asset value per Unit on the last Business Day of the calendar month (including distributions declared or paid) - net asset value per Unit on the first Business Day of the calendar month adjusted as if the Unit value increased by the Benchmark over the relevant period ("Performance Fee Per Unit")*) x *number of Units on issue as of on the last Business Day of the calendar month*.

The performance fee will be equal to 15.38% of the 'outperformance', capped at an amount of 0.51% p.a. (calculated monthly) of the net asset value of the Fund (before any performance fee has been accrued for the relevant period).

The performance fee as disclosed, being 0.51% p.a. of the net asset value of the Fund, reflects the historical average for the performance fee charged for the previous financial years since the Fund's inception.

High-Water Mark

The High-Water Mark is the application price of Units or, where a performance fee has most recently been paid to the Fund Manager, the net asset value of the Fund (plus any distributions paid or declared during the financial year or other period for which the performance fee is being calculated) on the last day of the relevant period (in this case, the last day of the calendar month) for which a performance fee was paid or accrued.

Please note the below is an ***example only*** and does not represent a forecast or indication of the expected performance of the Fund.

Net fund return before performance fee	3.0%	5.9%	8.8%
Benchmark	5.0%	5.0%	5.0%

Performance fee paid (as a percentage of the NAV)	0.0%	0.12%	0.51%*
Net fund return (rounded to the nearest one decimal places)	3.0%	5.8%	8.3%

*The annual performance fee cap of 0.51% is applied.

The Performance Fee is also calculated and payable:

i. when Units are redeemed, in which case the amount payable (if any) will be the performance fee per Unit multiplied by the number of Units being redeemed considering net realised and unrealised appreciation and depreciation (as the case may be) attributable to such Units, and

ii. on the date of termination of the Fund Manager, in which case the amount payable (if any) will be any accrued but unpaid performance fee.

The Fund Manager has no obligation to restore to the Fund any performance fees previously earned and paid, notwithstanding a loss in a subsequent period. It should be noted that the performance fee calculation is based in part upon unrealised gains (as well as unrealised losses) and that such unrealised gains and/or losses may never be realised. The Fund Manager may reduce, waive, calculate differently, or rebate the performance fee calculated with respect to one or more Unitholders (that are wholesale clients, as defined in the Corporations Act) at its absolute discretion.

4. Fund expenses

In addition to our ongoing management fees, we are entitled under the Constitution to be reimbursed for expenses incurred in properly performing our duties as Trustee of the Fund. These expenses are paid from the assets of the Fund.

The Fund expenses as disclosed, being 0.07%, reflect the Fund's expenses incurred in previous financial year ended 30 June 2024. The actual amount you will be changed in subsequent financial years is not exactly known and could be different.

Extraordinary expenses are also recoverable but are not included in this estimate. Extraordinary expenses are expenses that are not normally incurred in the day-to-day operation of the Fund and are not necessarily incurred in any given year. They may include costs associated with holding investor meetings, changing the Constitution, or defending or pursuing legal proceedings.

5. Indirect costs

Indirect costs are any amount that have reduced or will reduce (whether directly or indirectly) the return on the Fund or reduce the amount or value of the income of or property attributable to an interposed vehicle (i.e. ARESCF or the Investment Entities) in or through which the property attributable to the Fund is invested, and that are not charged as a fee.

Indirect costs are disclosed as part of management fees and costs and are paid out of the Fund's assets or interposed vehicle's assets once the cost is incurred and reflected in the Unit price.

There are no fees and costs incurred by ARESCF or the Investment Entities. In the event, any fees or costs are charged, these are rebated to the Fund.

The indirect costs as disclosed, being 0%, reflect the indirect costs incurred in previous financial year ended 30 June 2024. The actual amount you will be charged in subsequent financial years is not currently known and could be different.

The indirect costs information included is based on information available as at the date of issue of the PDS. You should refer to our website for any updates which are not materially adverse from time to time.

6. Transaction costs

Transaction costs are those incurred when Investors apply for or withdraw from the Fund or when transactions occur to manage the Fund's investment strategy, and may include brokerage, a buy-sell spread, settlement costs, clearing costs and stamp duty.

The buy/sell spread is the difference between the amount paid to acquire a Unit (application price) and the price that would be received if the Investor were to redeem their investment on the same day (redemption price). The transaction costs shown in the 'Fees and costs summary' are shown net of the amount recovered by the buy-sell spread. However, there is currently no buy/sell spread for the Fund.

The transaction costs of the Fund as disclosed, being 0%, reflect the transaction costs incurred in previous financial year ended 30 June 2024. The actual amount you will be charged in subsequent financial years is not currently known and could be different.

Please note that these costs are an additional cost to you as they have not already been recovered by a buy/sell spread.

7. GST and taxes

The fees and costs are GST inclusive amounts, net of any expected reduced input tax credits. If, for any reason, the Fund is not eligible to receive an input tax credit from the ATO for expenses incurred, the additional GST cost will be incurred by the Fund. Fees payable to parties related to the Trustee or the Fund Manager. See Section 7 for more details about how managed investment schemes are taxed.

8. Waiver, deferral, or rebate of fees

The Trustee and the Fund Manager may, in their absolute discretion, accept lower fees and expenses than they are entitled to receive, or may defer payment of those fees and expenses for any time.

The Trustee has agreed to waive the portion of its minimum $70,000 fee to the extent it is entitled to recover this fee from the assets of other funds managed by the Fund Manager or its subsidiaries.

To ensure that the Fund does not incur duplicate management fees, the Fund Manager will arrange for fee rebate arrangements to be put in place prior to any investment in an Investment Entity by the Fund. To the extent the Fund Manager is unable to arrange fee rebates, these fees will be payable out of the Fund's assets and will be disclosed as indirect costs (see item 4 above).

If payment is deferred, then the fee will accrue until paid.

9. Fee negotiations and underwriter fees

We may negotiate reduced management costs with wholesale investors. Contact us for more information.

The Fund Manager may arrange for the amount to be raised under this Offer to be underwritten by an institutional investor/fund (including another fund managed by the Fund Manager). In such circumstances, the underwriter, or underwriters ("Underwriter") may commit to subscribe for any shortfall in funding or to provide additional funding under a revolving facility to be used in the Fund Manager's discretion for any reason including to meet redemption requests or paying back capital to avoid returning excess capital early to other investors. The Underwriter may be paid an arm's length fee for agreeing to underwrite. This fee will be paid by ARAM from its own resources and will not be a cost to the Fund.

Entities related to the Trustee, or the Fund Manager may be engaged to provide services to the Fund. Any appointments will be on arms' length terms and made on commercial terms.

10. Changes to fees and costs

We reserve the right to change fees and other costs, subject to any limitations under the Constitution and applicable law. We will give you 30 days' notice prior to increasing any fees. We will consider during and towards the end of each financial year whether the fee and cost amounts require updating to reflect estimated fees and costs (including indirect costs) more accurately in future years, including where new information has come to light in relation to fees and costs. If we consider that the updated fees and costs information is not materially adverse, we will post an update on our website, otherwise we will issue a supplementary or replacement PDS in accordance with the Corporations Act.

11. Adviser Fees

The Fund does not pay adviser fees. If you consult a financial adviser, then you may pay additional fees to your adviser pursuant to your arrangement with them. If your adviser provides personal advice for your circumstances, then the statement of advice provided to you by your adviser should include details of the fees charged by your adviser.

6 Investor Information

6.1. TERM OF THE FUND

The Fund is intended to be an open-ended Fund.

6.2. SUGGESTED MINIMUM INVESTMENT TIMEFRAME

Financial advisers will have differing views about the minimum investment period you should hold various investments. Your own personal circumstances will also affect your decision. We have suggested a minimum investment timeframe for an investment in the Fund of three to five years. However, this is only a suggestion, and you should regularly review your investment decisions with your financial adviser because your investment needs or market conditions may change over time. The minimum suggested investment timeframe should not be considered personal advice.

6.3. APPLICATIONS

Investors should complete the paper based or online application form available the Fund Manager's website at www.alceonre.com.au/adif and send it by post, fax or email to the Unit Registry contact details listed in the Directory on page 1 of this PDS with their initial investment. Initial investments must be a minimum of $10,000. Payments must be made by way of electronic funds transfer payable as directed on the Application Form. Additional investments can be made with $1,000 increments. The Trustee may accept lower amounts in its discretion.

Where Application Forms and investment funds are received before 5.00pm EST on the last Business Day of a month, Investors are issued Units based on the valuation of assets at the close of business on the last Business Day of that month.

6.4. MAKING ADDITIONAL INVESTMENTS

Investors can make additional investments at any time provided the application amount is $1,000 or more. Additional investments can be made by using the Additional Investment form and guide available at www.alceonre.com.au/adif.

6.5. REDEMPTIONS

The Fund Manager expects that the Fund will be liquid. Where the Funds is liquid, the Trustee intends to process redemption requests on the last Business Day of each Month. However, under the Constitution the Trustee has up to 360 days from the receipt of a withdrawal request to process the redemption.

To withdraw, you must provide the Trustee with at least a full calendar month's written notice of your intention to redeem or such shorter notice period that the Trustee may agree, in its discretion. This means for example, that if you were to lodge your redemption request during the month of April, then your request cannot be accepted prior to 31 May, being the end of the following month after your request was submitted, unless the Trustee agrees to waive the notice period, in which case your request would be processed on 30 April. The redemption is typically paid to investors 2 – 3 weeks after it has been accepted but must be paid within 21 days of acceptance of the redemption request. In the scenario above, the redemption would be paid in week 2 or 3 of June.

If redemption requests exceed 5 percent of the Fund's net asset value on the first day of the Month (or such higher amount as the Trustee determines, in consultation with the Fund Manager), then they will be satisfied on a pro rata basis and any shortfall will roll over to the following Month and will be treated as a new redemption request. This process will continue until the redemption request is fully satisfied.

While the Funds is liquid, Investors may make a redemption request at any time by sending a completed Redemption Form available at www.alceonre.com.au/adif. The request should state the:

a) Investor's name; and
b) Investor number; and
c) redemption amount (or state account closure if that is the case)

and should be signed by the Investor(s) or authorised signatories.

Completed Redemption Forms must be sent to the Fund's administrator by post or email to the Unit Registry contact details listed in the Redemption Form and be received prior to 5pm on the second last Business Day of the Month to be processed at the end of the following Month. Redemptions Forms received after this time will be deemed to have been received in the following Month. For example, if a form is received on the last Business Day of June, it will not be accepted by the Trustee until the last Business Day of August.

The Trustee, in consultation with the Manager, may suspend withdrawals in certain circumstances, including where there is insufficient liquidity or it is not possible to calculate the net asset value.

Where the Fund is not liquid, redemptions can only be made pursuant to a withdrawal offer issued by the Trustee in accordance with the Corporations Act.

Redemptions may be satisfied from borrowings.

You may also transfer your Units to another person in accordance with the procedure in the Constitution. There is no secondary market for Units and so there is no guarantee you will find a buyer for your Units should you wish to sell them. Any such transfer is subject to the approval of the Trustee.

6.6. STRUCTURE OF THE INVESTMENT

The Fund is a unit trust established by the Constitution. It is a managed investment scheme that is registered with ASIC.

Under a managed investment scheme, investors' funds are pooled with those of other investors to facilitate larger scale investments. Investors hold units in the scheme which represent a proportional entitlement in the assets of the scheme based on the amount invested and the application price of the units at the time of entry to the scheme. No unit confers an interest in a particular part of the scheme or in any particular asset. The unit price reflects the value of the assets in the scheme and may increase or decrease over time with the value of the underlying assets. When you redeem your investment, the units you hold in the scheme are redeemed by the trustee.

6.7. UNIT PRICING AND ALLOCATION

The Fund's investments will be valued monthly.

The application price will be determined on the last Business Day of each month by reference to the net asset value of the Fund divided by the number of Units on issue. The withdrawal price for a Unit is also calculated by dividing the net asset value of the Fund by the number of Units on issue. There is no buy-sell spread.

Applications received prior to 5pm (Melbourne time) on the second last Business Day of the month, will be issued within 21 days of the end of the month.

The value of the Fund's Units are calculated in accordance with the Fund's Constitution and unit pricing policy. You can obtain a copy of our unit pricing policy free of charge on request.

6.8. DISTRIBUTIONS

Distributions will generally be paid monthly, within 15 Business Days of the end of each calendar month. A distribution is a payment of the Fund's taxable income. The components of the distribution will vary from period to period. Given the nature of the investments of the Fund, in particular the underlying investments in construction loans, where the interest is capitalised and only paid at the end of the facility term, only a portion of the income of the Fund may be paid monthly. The remaining income will accrue and be paid following maturity and repayment of the underlying investment.

There may also be times when no distribution is paid.

The Fund uses a 'rolled up' formula for the calculation of the Unit Price. This means you will not receive a pro-rata distribution if you redeem your investment partway through a distribution period. Distributions, if any, are paid to each registered unitholder as at the last day of the month.

Distributions, if any, will be paid in cash to the account nominated by the Investor, unless the Investor notifies the Trustee at least five Business Days prior to the last day of the month that they wish to reinvest their distribution in Units.

Where a distribution is reinvested, Units will be issued at the Unit price as at the last day of the month to which the distribution relates. The Units will be allocated on the first day of the following month.

Investors will need to advise us in writing of any change to distribution nomination (i.e., whether their distributions are paid in cash or reinvested in Units) and account payment details. For a change to be reflected in the next distribution, such advice must be received by us no later than five Business Days prior to the last day of the month.

6.9. UNIT TRANSFERS

Investors may transfer Units to another person. However, the Trustee has the discretion to refuse transfers of Units without giving any reasons for this refusal.

To effect a transfer to another person, the following will be required:

1. a signed and completed standard unit transfer form (with duty paid, if applicable)
2. notification of the transferee's Investor name and number (or if a new Investor, an Application Form).

Standard unit transfer forms are available by contacting the Fund Manager or Mainstream. A transfer of Units may have tax implications and Investors should seek their own tax advice in this regard.

There is no secondary market for Units.

6.10. INVESTOR REPORTING

Investors will be kept updated on the Fund through reports that will be distributed Quarterly.

Holding statements will be distributed on commencement to the nominated address via email or to be available in the investor web portal.

6.11. TAX REPORTS

After the end of each financial year, Investors will be provided with a tax statement.

6.12. OTHER REPORTS AND INFORMATION

You can review an annual audit report of the Fund that supports the accuracy of the information in Investors' annual transaction and valuation statements. We will seek to distribute this report within three months of the financial year-end by making it available on Alceon's website.

6.13. CONTINUOUS DISCLOSURE

In certain circumstances, such as if the Fund has 100 or more Investors, it will be regarded as a 'disclosing entity' for the Corporations Act. It will be subject to regular reporting and disclosure obligations and copies of documents lodged with ASIC, for example annual and half-yearly financial reports, may be obtained from, or inspected at, an ASIC office. At the date of this PDS, the Fund is a disclosing entity and accordance with ASIC Regulatory Guide 198 "Unlisted disclosing entities: Continuous disclosure obligations", the Trustee will comply with its obligations under the Corporations Act and ASIC's good practice guidance in satisfying its continuous disclosure obligations via website notices.

Information and continuous disclosure notices for the Fund are available by going to www.alceonre.com.au or by calling 1300 133 451 during business hours.

It is therefore important that you check the website regularly for important information about the Fund. We will also provide investors with a copy of annual and half-yearly reports and any continuous disclosure notices within five days of a request.

6.14. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

The Trustee may from time-to-time face conflicts between its duties to the Fund as Trustee, its duties to other funds that it manages and its own interests. The Trustee will manage any conflicts in accordance with its conflicts of interest policy, the Constitution, ASIC policy and the law. Investors can obtain more detail on the Trustee's policy and procedures for conflicts of interest and related party transactions by calling us on 03 9097 2800.

The Fund Manager and the Trustee are not related parties. The Fund Manager also has a conflicts of interest policy.

The Trustee and the Fund Manager may from time-to-time enter transactions with related entities. These transactions will be on arm's length terms and managed in accordance with the Trustee's or Fund Manager's (as applicable) conflict of interest procedures. All transactions will be effected at market rates or at no charge, and in accordance with the Corporations Act.

6.15. COOLING OFF

As a retail investor (as defined in the Corporations Act), who invests directly in the Fund, you are entitled to a 14 day cooling-off period during which you may change your mind about your investment. During that time, you may exercise your cooling-off rights by requesting your money be returned. The cooling-off period begins when your transaction confirmation is received by you or, if earlier, 5 Business Days after your units are issued. The Trustee is allowed to (and generally does) make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs. This may result in you receiving back less than you originally invested.

You may have capital gain/loss tax implications if you happen to receive more or less back than you originally invested.

If you wish to cancel your investment during the cooling-off period, you need to inform the Trustee in writing of your intention to exercise this right before the end of the cooling-off period (and before exercising any rights or powers you have in respect of your investment in the Fund).

6.16. COMPLAINTS

1. Complaints

The Trustee has established procedures for dealing with complaints in accordance with its internal dispute resolution policy that complies with s912A(2) of the Corporations Act.

If you have invested directly or have invested indirectly through a Portfolio Service, and you have a complaint, you can contact our Complaints Officer by either:

Email: complaints@msc.group

In writing to: Complaints Officer, Trustee, Level 2, 395 Collins Street

Investors who have invested indirectly through a Portfolio Service have the same rights of complaint as an investor investing in the Fund directly. If you make a complaint to us, we will acknowledge receipt of the complaint within 24 hours (or one business day) of receiving it, or as soon as practicable and take steps to address the complaint. We aim to resolve all complaints as soon as possible; however, where we can't resolve your issue immediately, we will resolve it within 30 days.

2. Seek an external review

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au

Telephone: 1800 931 678 (free call)

Email: info@afca.org.au

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3000.

6.17. LABOUR STANDARDS AND ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATIONS

Whilst the Fund Manager intends to conduct its affairs ethically and soundly, the Fund's investment criteria does not specifically include giving additional weight to environmental, social and ethical factors and labour standards for the purpose of selecting, retaining, or realising investments of the Fund.

6.18. CONSTITUTION

The Constitution is the primary document governing the relationship between the Trustee and Investors in the Fund. It contains extensive provisions about the legal obligations, rights, and powers of both the Investors and the Trustee.

It includes broad powers for the Trustee to carry out its duties and deal with the assets of the Fund, including the right to fees and reimbursement of expenses. The Constitution also details the Trustee's entitlement to be indemnified out of the assets for all liabilities, costs, damages, or expenses incurred in connection with its office, or in prosecuting or defending any action in respect of a provision of the Constitution. The liability of the Trustee is limited to the extent of the Fund's assets, except where there has been any fraud, negligence, or breach of trust by the Trustee.

The absolute beneficial entitlement of Investors to the Fund assets is set out in the Constitution. The liability of Investors is limited under the Constitution to the value of their investment. However, the question of limited liability for investors of managed investment schemes has not been tested in a court of law.

The following is a summary of the main terms of the Constitution:

Trustee's powers and duties	Subject to the Constitution, the Trustee has all the powers in respect of the Fund that it is possible under the law to confer on a Trustee and as though it were the absolute owner of the Fund assets acting in its personal capacity. Without limiting the above, the Trustee's powers include the power to: • acquire and invest in any property (whether real or personal) or assets, located in any jurisdiction (which for the avoidance of doubt includes the acquisition of any contractual or other rights); • dispose of or otherwise deal with the assets of the Fund; • manage and administer the Fund's assets; • grant security, enter derivative transactions and incur all other types of obligations and liabilities; • authorise any person to act as its agent or delegate to hold title to any asset, perform any act or exercise any discretion within the Trustee's power; and • act as underwriter for the offer of any securities or other interests in the Fund.
Indemnity and Liability of Trustee	Except to the extent the Corporations Act imposes liability: • the Trustee is not liable for any loss suffered by unitholders in respect of the Fund, whether in contract, tort or otherwise; and • the Trustee is not liable to any person who is not a unitholder (including in relation to any contracts or other arrangements entered in respect of the Fund) to any extent beyond the Assets. In addition to any indemnity allowed by law, the Trustee has a right of indemnity out of the Assets in respect of: • any liability incurred by the Trustee in the performance of its duties in respect of the Fund; and • all fees payable to and costs recoverable by the Trustee under the Constitution. However, the indemnity does not apply with respect to a liability to the extent that, in respect of that liability, the Trustee has acted negligently, fraudulently or in breach of trust. If for any reason beyond the control of the Trustee it becomes impossible or impractical to carry out the provisions of the Constitution, then subject to the Corporations Act, the Trustee is not under any liability for anything done by it in good faith.
Retirement or removal of Trustee	The Trustee may only retire or be removed in accordance with the provisions of the Corporations Act.

Amendment	The Trustee may amend the Constitution at its absolute discretion on such terms as it sees fit.

6.19. INVESTMENT MANAGEMENT AGREEMENT

The investment management agreement is between the Trustee and the Fund Manager under which the Fund Manager agrees to provide investment management services to the Fund which include:

1. the identification and acquisition of assets consistent with the Fund's investment mandate
2. keeping all assets under review and monitoring their performance, and
3. using reasonable endeavours to achieve the investment objectives for the Fund.

The investment management agreement contains provisions dealing with matters such as the Manager's obligations to report to the Trustee and sets out the fees payable to the Manager for its services (summarised in Section 5).

The investment management agreement will remain in force until the Fund is wound up unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Trustee if the Manager is in material breach of the agreement and that breach has not been remedied after a certain time. There are also provisions allowing the Trustee to terminate if, for example, the Manager becomes insolvent. The Manager is permitted to terminate the agreement in certain circumstances, such as if the Trustee ceases to be the Trustee for the Fund.

6.20. PRIVACY

By signing the Application Form, you acknowledge and agree that your personal information may be handled by the Trustee and its service providers (including the Fund Manager and the Administrator) in the manner set out below.

Your completed Application Form will provide personal information about you to the Trustee and its service providers. The Trustee and its service providers collects your personal information to process and administer your investment in the Fund and to provide you with information about your investment in the Fund. Some of this information is required by the Anti-Money Laundering and Counter-Terrorism Financing laws and may be required to be kept on a register in accordance with the Corporations Act. If you do not complete the Application Form in full, the Trustee may not accept your Application Form.

The Trustee and its service providers may disclose your personal information for purposes related to your investment and the publication of unitholder reports, to agents, service providers and government agencies. The Fund Manager may, from time to time, provide you with information about products and services that may be of interest to you. Should you not wish to receive this information (including by mail or electronic communication), you have the right to 'opt out' by advising the Administrator (telephone: 1300 133 451 or +61 2 8259 8888, email: registry@apexgroup.com).

In order to use and disclose your personal information for the purposes stated above the Trustee and its service providers may be required to transfer your personal information to entities or government agencies located outside Australia where it may not receive the level of protection afforded under Australian law. By signing the Application Form, you consent to your personal information being transferred overseas for these purposes.

The Trustee's privacy policy contains information about how you can access the personal information or complain about a breach of the Australian Privacy Principles and how we will deal with such a complaint. The Trustee's privacy policy is available at https://www.msc.group/privacy-policy/

The Trustee may use your personal information for direct marketing purposes. Please contact us on 1300 798 790 to request not to receive direct marketing communications from the Trustee.

6.21. AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION

1. Foreign Account Tax Compliance Act and Common Reporting Standard

Australian legislation relating to the automatic exchange of financial account information between jurisdictions gives effect to the United States of America Foreign Account Tax Compliance Act (**FATCA**) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**). These regimes cover the collection and reporting of information to tax authorities by financial institutions.

The Fund is a reporting Australian financial institution under the inter-governmental agreement entered into between the Australian and US governments in relation to FATCA effective from 1 July 2014. The Fund is also a reporting Australian financial institution under the CRS. Accordingly, the Fund will be required to comply with the registration, due diligence and reporting requirements of FATCA and CRS.

We may request that you provide certain information for the Fund to comply with its FATCA and CRS obligations. Depending on your status, for the purposes of FATCA and CRS, we may assess any information you provide to us and if required, report information in relation to you and your Unit holding to the Australian Taxation Office (**ATO**). The ATO will in turn share such information with the US Internal Revenue Service or tax authorities of jurisdictions that have signed a CRS Competent Authority Agreement on an annual basis.

2. How could FATCA and CRS affect you?

By applying for Units in the Fund, you:

1. agree to promptly provide us or our service providers with any information we may request from you from time to time;
2. agree to promptly notify us of any change to the information you have previously provided to us or our service providers;
3. consent to us disclosing any information we have in compliance with our obligations under FATCA and CRS;
4. consent to us disclosing any information we have if your Units are held by or for the benefit of, or controlled indirectly by, specified US person(s) (in the context of FATCA) or foreign tax resident(s) (in the context of CRS), including disclosing information to the ATO, which may in turn report that information to the US Internal Revenue Service or other foreign tax authority; and
5. waive any provision of domestic or foreign law that would, absent a waiver, prevent us from complying with our obligations under FATCA and CRS.

Failure to comply with our obligations under FATCA and CRS could result in the Fund being subject to a 30% US withholding tax on payments of US income or gross proceeds from the sale of US securities (in relation to FATCA only) and administrative penalties under Australian taxation law.

It is important to note that:

1. although we may take steps to manage the imposition of any withholding tax or penalties, no assurance can be given that this will be successful, and

2. if you fail to provide us with any information requested by us, and the Fund is subject to withholding tax or penalties, we may seek to recover such amount from you.

For further information in relation to how our due diligence and reporting obligations under FATCA and CRS may affect you, please consult your tax adviser.

6.22. ANTI-MONEY LAUNDERING

You should be aware that as part of our compliance with the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (AML/CTF Act), we may require additional information to verify your identity and any underlying beneficial owner of a potential investor or an investor's units in a Fund and the source of any payment before providing services to you and from time to time.

Where we request such information from you, processing of applications or withdrawals may be delayed until the required information is received in a satisfactory form. The Trustee as responsible entity may reject any application where such documents are not provided to the Trustee prior to lodgement of, or accompanying, the application form.

A transaction may be delayed, blocked, frozen or refused where reasonable grounds are established that the transaction breaches the law or sanctions of Australia or any other country. Where such a transaction is delayed, blocked, frozen or refused, we are not liable for any loss you suffer (including consequential loss) as a result of compliance with the AML/CTF Act as it applies to this product.

We may require additional information from you to assist us in identification and verification processes, and may need to re-verify information.

You should also be aware that under legislation we are required to disclose information about suspicious matters to regulatory and/or law enforcement agencies and may be prevented from informing you of such disclosure.

7 Taxation

7.1. OVERVIEW

The Tax Comments set out below a general description of the Australian income tax implications of the Fund as well as for Australian resident and non-resident Unitholders who hold their units on capital account.

The Tax Comments do not consider all possible investor scenarios or aspects of Australian tax law that may be relevant to an Investor's individual circumstances including Investors who hold their investment on revenue account or as trading stock, or who are exempt from Australian income tax, or who are subject to the Taxation of Financial Arrangements provisions contained in Division 230 of the Income Tax Assessment Act 1997.

The Tax Comments should not be used by Investors as a substitute for advice obtained from an appropriate professional adviser having regard to the Investor's individual circumstances and Investor's should obtain their own professional advice on the tax implications based on their own specific circumstances.

7.2. TAXATION OF THE FUND

Tax treatment of the Fund

Based on current tax legislation, a trust should not generally be liable for income tax, where its beneficiaries are presently entitled to all the income of the trust or if the trust is an AMIT (refer below) the income is attributed to unitholders. As this is intended for the Fund, provided it falls outside the public trading trust rules in Division 6C of the ITAA 1936, the Fund should not be liable to tax.

Public trading trusts

The taxation treatment of a trust will depend on whether it is a public trading trust under Division 6C of the ITAA 1936 during a particular income year. To be treated as a public trading trust, the Fund must, amongst other things, be a trading trust during an income year.

A trust will be a trading trust in respect of a year of income if it carries on a trading business or controls an entity that carries on a trading business at any time during an income year. Importantly, a trust (or an entity controlled by the trust) must undertake an 'eligible investment business' ("EIB") for Australian taxation purposes to not be considered a trading business. Relevantly, an EIB includes investing or trading in:

- Secured or unsecured loans (including deposits with a bank or other financial institution);
- Bonds, debentures, stock, or other securities;
- Shares in a company; and
- Units in a unit trust.

Having regard to the proposed activities of the Fund which will consist investing in securities issued by the Investment Entities, the Fund should not be considered to invest or trade in non-EIB activities and therefore, should not be a trading trust (although we note this is a year-by-year factual test and so ultimately will depend upon the Fund activities in any given year).

Tax losses

Where a revenue loss or net capital loss is incurred by the Fund, the loss must be quarantined within the Fund and cannot be passed to Investors for tax purposes. Instead, revenue tax losses should be able to be carried forward and offset against assessable income derived by the Fund in future years subject to satisfying the relevant trust loss recoupment tests.

Any net capital losses should be able to be carried forward and offset against future capital gains derived by the relevant Trust. There are no restrictions on utilising carried forward net capital losses incurred by a trust.

7.3. MANAGED INVESTMENT TRUST ("MIT") ASPECTS

Subject to the ultimate Investor profile, the Fund may qualify as a withholding MIT for Australian income tax purpose. For the Fund to qualify as a withholding MIT in relation to an income year, the Fund must satisfy several conditions including, among others, being a managed investment scheme and an unregistered wholesale trust, conditions relating to being widely held by Investors. The Fund may also elect into the Attribution MIT ("**AMIT**") regime.

A withholding MIT has certain tax advantages including reduced withholding tax on distributions to certain non-resident investors which is discussed further below.

7.4. TAXATION OF AUSTRALIAN TAX RESIDENT INVESTORS

Taxation of distributions from the Fund

Australian tax resident Investors are liable to pay tax on their share of the taxable income of the Fund in the income year to which it relates. An Investor's share of the taxable income of the Fund for the year ended 30 June must therefore be included as assessable income for the Investor's financial year ending on or after that date and would be subject to tax at their respective tax rates. Individual Investors will be taxed at their marginal rates, corporate Investors generally at the current corporate rate of

30% and complying superannuation funds (including complying SMSFs) at 15% (based on the applicable rates at the date of this PDS). This applies irrespective of whether the income to which the Investors are presently entitled is distributed.

Distributions from the Fund may include various components, the taxation treatment of which may differ. The distributions are expected to predominantly include Australian and foreign sourced interest income from the investments which would be included in the taxable income of the domestic investors and taxed at the above rates.

Where the Fund qualifies as a MIT (or elects to be an AMIT under the AMIT regime) and validly elects to treat the Fund's eligible assets on capital account, certain investors may obtain the benefit of the CGT discount and other tax concessions (where applicable) on distributions of capital gains they may receive. This election will not apply to loans.

Where the Fund invests into Investment Entities that are Australian companies, Investors may be entitled to franking credits in respect of distributions which include franked dividends subject to both the Fund and the Investor satisfying certain conditions. Investors may be able to use the franking credits to reduce their income tax liabilities. Excess franking credits may be refundable to individuals and complying superannuation entities (including complying SMSFs) and in certain circumstances may give rise to tax losses for companies.

Investors may also be entitled to claim a FITO for foreign tax paid or deemed to have been paid by the Investor in relation to assessable income or capital gains received from the Fund in relation to foreign investments, for example where Investment Entities are providing first mortgage loans to NZ borrowers.

Taxation on disposal of Units

Where an Investor holds Units on capital account, an Investor must include any realised capital gain or loss on the disposal of the Units in the calculation of their net capital gain or loss for the year.

An Investor will realise a capital gain or loss on the disposal of the Units equal to the excess or shortfall of the disposal proceeds over the relevant cost base the Investor holds in the Units. The cost base would equal the issue price or consideration paid by the Investor for the Units less any tax deferred or capital distribution received by the Investor in respect of the Units.

Where the Investor has held the Units for less than 12 months, this is the gain or loss included in the Investor's net capital gain calculation. Where the Investor has held the Units for 12 months or more and there is a gain, a discounting factor may be available for certain Investors. The gain on the Units is initially reduced by any other capital losses of the Investor. If, as a result, a net capital gain arises it may be reduced by the discount factor. The discounting factor for individuals and trusts is 50%, whilst a discount factor of 33⅓% applies for complying superannuation entities (including SMSFs).

7.5. TAXATION OF NON-RESIDENT INVESTORS

Taxation of distributions from the Fund

Distributions (or attributions if relevant) of Australian-sourced income from the Fund to non-resident Investors will generally be subject to withholding tax. The nature of the withholding tax depends on the nature of income distributed (or attributed if relevant) and whether the Fund will qualify as a withholding MIT.

Provided that the Fund qualifies as a withholding MIT, distributions (or attributions if relevant) that qualify as fund payments (a defined term) will be subject to specific withholding tax rules. A fund payment is any payment (or attribution if relevant) by the Trustee from the net taxable income of the Fund to Investors other than dividends, interest or royalties included in the amount.

The Trustee will generally be required to withhold from distributions to non-resident Investors in respect of Australian-sourced income as follows:

- The Trustee will withhold tax at 10% from interest payments.
- The Trustee should not be required to withhold tax for any franked dividends that are distributed from the Fund to non-resident Investors. Unfranked dividends may be subject to withholding tax (depending on the tax profile and residency of the Investor).
- For any distributions not attributable to interest or dividends paid (e.g., net gains made on sale of investments or fee income) to non-resident Investors who provided an address or place of payment for the distribution in an information exchange country, the Trustee will withhold tax at 15% from fund payments.
- For any distributions not attributable to interest or dividends paid (e.g., net gains made on sale of investments or fee income) to an Investor that provided an address in a non-information exchange country, the rate of withholding applied will be 30%.
- Where Investors are resident in a country other than the information exchange country address provided to the Trustee, further Australian tax obligations may arise for that Investor.

Non-Australian tax resident Investors should not be required to lodge an Australian tax return in respect of a trust distribution that is subject to MIT withholding tax or interest or dividend withholding tax on the basis that they are generally final taxes for Australian taxation purposes.

Any foreign-sourced income that is distributed by the Fund to non-resident Investors by the Fund, which is expected to only include interest, should not be subject to withholding tax in Australia.

Taxation on disposal of Units

A capital gain arising on the disposal or redemption of the Units should not be subject to Australian capital gains tax in the hands of a non-resident Investor where the underlying assets of the Fund are not "Taxable Australian Property". Given the underlying investments of the Fund are intended to be first mortgage loans issued to borrowers, the investments in securities in the Investment Entities made by the Fund are not expected to be considered Taxable Australian Property.

7.6. TAX FILE NUMBERS AND AUSTRALIAN BUSINESS NUMBERS

An Australian tax resident Investor need not quote a TFN when applying for Units in the Fund. However, if a TFN is not quoted, or no appropriate TFN exemption information is provided (e.g., where an Investor has lodged a TFN application and is awaiting confirmation), tax is required to be deducted from any income distribution entitlement at the highest marginal tax rate plus Medicare levy (currently 47 per cent). Investors that hold their Units as part of their business may quote their Australian Business Number instead of their TFN. For completeness, a Non-resident Investor should not be subject to this type of withholding.

7.7. GOODS AND SERVICES TAX

The acquisition, disposal and/or redemption of Units is not subject to GST.

Generally, GST incurred on costs relating to the issue, acquisition or disposal of Units should not be recoverable in full. However, Investors are recommended to seek professional taxation advice in relation to their own position.

7.8. STAMP DUTY

No stamp duty should be payable by Investors on the issue of units in the Fund. Under the current stamp duty legislation, in the ordinary case, no stamp duty should be payable on any subsequent disposal or redemption of the Units in the Fund.

8 Application Process

8.1. IMPORTANT INFORMATION

This PDS does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to facilitate the public offer of the Fund outside Australia.

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. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

You cannot invest in the Fund unless you submit an Application Form in the form required by the Trustee and provide all documentation required.

8.2. HOW TO APPLY

1. Complete an Application Form and other forms as required and have all Applicant(s) sign where indicated. You may also choose to complete and submit via Alceon's online application form.
2. If completing the paper-based Application Form, send the originals with the Application to fund's administrator, APEX as instructed in the Application Form.
3. An application will only be processed when we have received the original documentation together with payment of the Application Monies, plus the relevant identification documentation.

We believe it is important for you to obtain independent professional advice about your financial circumstances and needs and whether the Fund is a suitable investment for you.

9 Glossary

AFSL	An Australian financial services licence.
Applicant	A person who submits an Application Form in accordance with this PDS to become an investor in the Fund.
Application	An application for an investment in the Fund, as evidenced by completion of the Application Form and payment of the Application Monies.
Application Form	The application form to be used by persons wishing to invest in the Fund, available at: www.alceonre.com.au/adif.
Application Monies	The monies received or transferred in connection with the offer pursuant to this PDS and the Constitution.
ARESCF	Alceon Real Estate Senior Credit Fund Ltd ACN 663 336 990, being the underlying entity that holds some or all of the investments in the Investment Entities.
ASIC	Australian Securities and Investments Commission.
AUD	Australian Dollar.
Australian Privacy Principles	The Australian Privacy Principles set out in schedule three of the Privacy Act 1988 (Cth).
Benchmark	A fixed five percent per annum
Business Day	A day on which banks are open for business in Melbourne other than a Saturday, Sunday, or public holiday.
Constitution	The constitution of the Fund dated 9 August 2018, as amended from time to time.
Corporations Act	Corporations Act 2001 (Cth) and the associated regulations, as amended from time to time.
Fund	The Alceon Debt Income Fund ARSN 650 960 820, established by the Constitution.
Fund Manager, Alceon, ARAM, we, us	Alceon Real Asset Management Pty Ltd, ABN 99 627 059 723, authorised representative of the AFSL holder, Alceon Group Pty Ltd ACN 122 365 986, AFSL 345692.
GST	Australian Goods and Services Tax pursuant to the A New Tax System (Goods and Services) Tax Act 1999.
High Water Mark	The application price of Units or, where a performance fee has previously been paid to the Fund Manager, the net asset value of the Fund (plus any distributions paid or declared during the financial year or other period for which the performance fee is being calculated) on the last day of the relevant period for which a performance fee was paid or accrued.

Investment Entities	The Special Purpose Vehicles (SPVs) or trusts established by Alceon into which the Fund will invest either through ARESCF or directly.
Investor	An investor in the Fund, also referred to as "you" or "your".
LVR	Loan-to-value ratio.
Offer	The offer of Units in the Fund made under this PDS.
PDS	This document including its schedules and annexures.
Quarter	Each three-month period ending on the last day of March, June, September, and December.
Target Market Determination, TMD	A Target Market Determination (TMD) describes the target market for a financial product and relevant conditions in relation to the distribution of the product to consumers.
TFN	Tax File Number.
Trustee or MSC	Melbourne Securities Corporation Limited ACN 160 326 545, AFSL 428289, or any other person appointed for the time being as the trustee and responsible entity of the Fund.
Unit	A unit in the Fund.