



DEFENDER



# Defender Credit Fund

## Information Memorandum

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ACN  
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482722

# Defender Credit Fund

## Important Information



This Information Memorandum (IM) has been prepared and issued by Defender Asset Management Pty Ltd ACN 608 281 189 ('DAM', 'Investment Manager', the 'Manager' or 'us'). DAM has been appointed by the Trustee, Defender Credit Fund Pty Ltd, as the Investment Manager under an Investment Management Agreement. DAM is the holder of Australian Financial Services Licence No. 482722. The Trustee has also appointed DAM to arrange for the issue of units in the Defender Credit Fund ('Fund'). Only Preference units ('Preference Units') are available pursuant to this IM and supplementary Information Memorandum ('Supplementary IM') issued in respect of particular classes of units on offer from time to time.

This Information Memorandum is dated 1 March 2026. The information contained in this IM has been compiled to assist the recipient in making its own independent evaluation of the Offer and does not purport to contain all the information that may be necessary or desirable for the recipient's particular investment requirements.

Applications for Units under this IM may only be made by completing and returning the Application Form accompanying this IM. The Application Form contains important terms relating to the Fund and should be read in full before deciding to invest.

An investment in the Fund involves a degree of risk. Each recipient shall be considered to have read and understood the section titled "Risks" and to have satisfied themselves fully as to the acceptability or otherwise of the risks outlined in that section and any other risks relevant to the Offer. The information in this IM is general information only and does not take into account a recipient's individual objectives, financial situation or needs. To obtain advice or more information about the product offered in this IM you should speak to your financial adviser or other professional adviser.

You should rely only on information in this IM. No person is authorised to provide any information, or to make any representations, in connection with the issue of Units, which is not contained in this IM. Any information or representations not contained in this IM may not be relied upon as having been authorised by the Manager in connection with the issue of the Units. This IM supersedes and replaces all previous representations made in respect of the Manager, the Trustee and the Fund.

This IM only constitutes an offer of, or invitation to apply for, financial products to persons within Australia or in places where it is lawful to make such an offer or invitation. This IM is available electronically at [www.defenderam.com/investments](http://www.defenderam.com/investments). If you access an electronic copy of this IM, then you should ensure that you download and read the entire IM and the Application Form and any Supplementary IM accompanying this IM.

If you are printing an electronic copy of this IM, you must print all pages, including the Application Form. If you make this IM available to another person, you must give them the

entire electronic file or printout, including the Application Form and any Supplementary IM accompanying this IM.

You will be asked to provide personal information to us (directly or through the Registry) if you apply for Units. For information about how the Manager collects, holds and uses this personal information— see Section 10.5. This IM may contain various opinions, estimates, financial objectives and forecasts with respect to the anticipated future performance of the Fund. These opinions, estimates and forecasts are based upon assumptions. These assumptions may not prove to be correct or appropriate. Neither the Manager nor the Trustee makes representations or warranties as to the validity, certainty or completeness of any of the assumptions or the accuracy of the opinions, estimates, financial objectives or forecasts contained in this IM. This IM contains general advice only.

You should ensure this investment is consistent with your own financial objectives and needs and obtain your own financial advice if necessary, the financial objectives are in no way guaranteed. Investment decisions should not be based solely on the financial objectives.

This IM has not and will not be lodged or registered with ASIC including under the securities laws or regulations of any jurisdiction including Australia. The Offer does not require disclosure to investors under Division 2 of Part 7.9 of the Corporations Act.

No person other than the Manager or the Trustee has caused or authorised the issue of this IM nor do any of them take any responsibility for the preparation of this IM or the establishment or performance of the Fund. ASIC takes no responsibility for the contents of this IM.

By receiving this IM, the recipient acknowledges and agrees that:

1. It is acting as a principal and not as an agent in considering such investment either for itself or for an investment fund managed by it;
2. All information contained in the IM and any written or oral communication related to the Offer is to be treated as confidential information and is not to be disclosed to any other party without the Manager's prior written consent;
3. The recipient will rely entirely upon its own due diligence and / or professional advice in considering the Offer.

Recipients are not to construe the contents of this IM as investment, legal or tax advice. Each recipient should consult their own counsel, accountant and other adviser as to legal, tax, business, financial and related aspects of a subscription for Units.

Each recipient, by its acceptance of the terms and conditions of the Offer, will be deemed to have acknowledged to, represented

to and agreed with the Manager and the Trustee that they have received a copy of the IM and:

- The recipient has been afforded an opportunity to request from the Trustee, and has received, all additional information considered by the recipient to be necessary to verify the accuracy and completeness of the information contained therein including the Trust Deed;
- The recipient has not relied on the Manager or the Trustee or any representation of the Manager or the Trustee in connection with an investigation of the accuracy of such information or the recipient's investment decision;
- Neither the Manager or the Trustee or any person representing any of them, has made any representation to the recipient with respect to the Fund or the Offer or sale of any units, other than as contained in the IM and any Supplementary IM accompanying this IM;
- The recipient has read and agreed to the matters stated in the disclosures contained within this IM.

The Manager reserves the right to vary the Offer, including by closing the Offer at any time, accepting late applications, changing the timing of the Offer, either generally or in particular cases, without notifying any recipient of this IM or any applicants. Prospective investors are encouraged to submit their applications as soon as possible.

Subject to the law and the Trust Deed, the Manager may change at any time the information, terms and conditions set out in this IM and otherwise applying to Units. Where a person is a Unit Holder, they will be provided with at least 30 days written notice of any such change which is materially detrimental to them as a Unit Holder including any increase in fees. Unit Holders who redeem their Units prior to the change will ordinarily not be bound by the change. Where a change is not materially adverse to Unit Holders the information may be made available at [www.defenderam.com/](http://www.defenderam.com/) credit. Unit Holders may obtain a paper copy of this information free of charge by contacting the Manager.

Certain capitalised expressions used in this IM have defined meanings, which are explained in the Glossary – Section 11. References to \$ or A\$ are to Australian dollars.

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# 1.0 Key Features of The Defender Credit Fund

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This table contains a summary of the key features of the Fund. You should read the IM in full before deciding whether to invest. See the Glossary for definitions of terms.

## Key Fund Information

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Investment objective	The investment objective of the Fund is to generate steady returns for Unit Holders by investing in a diverse portfolio of quality SME and middle market corporate Loans typically secured against residential or commercial property.	Section 4.1
Investment strategy	<p>The Fund has been established to take advantage of the gap in Australia's Loan market, an area under-serviced by the Big Four banks, in which the Manager believes there are strong risk adjusted return opportunities available in Australia's alternate Loan market.</p> <p>The Fund's investment strategy focuses on investing only in Loans to SME and mid-market companies with appropriate collateral pools. Using this approach, we allocate:</p> <ul style="list-style-type: none"><li>• Up to 100% of our portfolio to diversified senior secured Loans.</li><li>• From 0% – 15% of our portfolio to special situation, subordinated or unsecured short dated senior Loans.</li></ul>	Section 4.1
Geographic regions	While there is no predetermined geographic allocation, the Fund will focus on Loans issued to Australian SME & mid-market businesses operating within Australia.	Section 4.1
Withdrawals	<p>There is no automatic right of redemption from the Fund. Loan assets in the Fund may be illiquid and all withdrawals must be approved by the Trustee on advice from the Manager.</p> <p>The Manager will endeavour to provide liquidity as soon as possible following the repayment of a Loan facility. Note that the Fund has a minimum investment period pursuant to the terms of the unit you apply for. Certain options carry longer periods.</p>	Section 4.1

- Credit and default risk – where the borrower, for any reason, is not paying interest or principal of the Loan. In this case, the borrower may be in default and this may have an impact on recovery of the asset and the return for investors in the Fund;
- Liquidity risk – the Fund's investments are generally considered to be illiquid compared to exchange traded investments. Investors have no right of redemption or ability to voluntarily withdraw from the Fund. There will also be no liquid secondary market for Units.
- Utilisation risk - It is possible that some Loans may be repaid early, and therefore the actual maturity of the investment Loans may be shorter than their stated final maturity calculated based on the stated life and repayment schedule. Prepayment of the Loans may result in a loss of income until such time as the capital is reinvested. This may lead to lower-yielding investments by the Fund, leading to lower returns on the Fund's Loan investments

This is not a comprehensive summary of all the risks of investing in the Fund. We recommend you should obtain financial advice before investing. Refer to section 5 of this IM for further information on Risks.



# Key Product Features

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## Costs of Investing in the Fund

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Management Fee	Management Fee of 0.25% p.a*. paid by ordinary unit holders on a pro-rata basis.	Section 6.1 and 6.2
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## Minimum Investment Requirements

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Minimum Initial Investment	Minimum initial investment: \$100,000.	Section 7.1
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Payment Options	Option for partly paid structure for investments greater than \$250,000.	Section 7.1
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Investment Period	Minimum period of 7 months. The specific Investment Period for each Preference Unit currently on offer will be set out in the Supplementary IM accompanying this IM.	Section 7.1
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Applications	Applications are processed monthly and are required to be received prior to 5pm (Sydney time) 30 days (or such lesser period as the Manager may determine) before the last Business Day of each calendar month.	Section 7.1
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## Distributions

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Investment	Monthly interest payments.	Section 7.4
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Capital Return	You will only receive repayment of the capital you have contributed once the borrowers repay their Loans under their respective Loan Facility.  The Manager reserves the right to return capital early.	Section 7.4
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Payment Method	Capital returns are paid into your nominated bank account or reinvested in additional Units. Actual payment of funds may take several months to be processed and transferred.	Section 7.4
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\*All fees set out are inclusive of the net effect of Goods and Services Tax (GST) (i.e. includes GST net of input tax credits). The Fund may not be entitled to claim a reduced input tax credit in all instances.



***Our client's  
objectives are our  
objectives.***



## Reporting

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Quarterly and annual newsletter	Investor updates and newsletters will be distributed to all Unit Holders electronically on a quarterly basis. All updates and newsletters will also be available on our website <a href="http://www.defenderam.com/credit">www.defenderam.com/credit</a>	Section 10.1
Regular reporting	<ul style="list-style-type: none"><li>Confirmation of all applications and withdrawals.</li><li>An annual periodic statement providing your account balance and transaction summary.</li></ul>	Section 10.1
Unit pricing	Unit prices are on our website <a href="http://www.defenderam.com/investment/credit-fund/">www.defenderam.com/investment/credit-fund/</a> and or via the registry investor portal.	Section 7.5
Annual financial report	Annual financial report for the Fund.	Section 10.1
Annual tax reporting	<ul style="list-style-type: none"><li>Annual tax statement if the Fund has paid a distribution during the financial year.</li><li>Exit statement if you have redeemed Units during the financial year.</li></ul>	Section 8.2

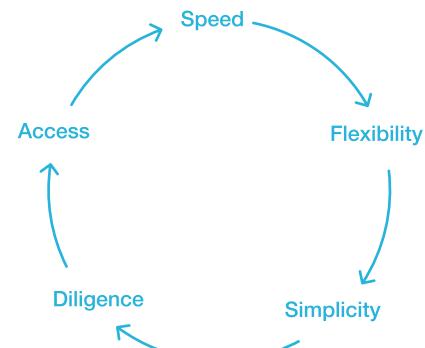
# 2.0 About DAM

The Manager is a specialist alternative investment manager and brings a strong record of accomplishment. Its two founders have over 20 years of combined investment experience across a broad range of financial markets including corporate finance, funds management, property development and the non-bank lending sector.

As a firm majority owned by its principals, our client's objectives are our objectives. The Manager's investment products are designed to take advantage of the strengths and capabilities of our experienced investment team and also the opportunities which we believe exist in the SME and mid-market debt sector.

## Why people borrow with DCF Lending

- Speed**
  - Faster turnaround to borrowers.
- Flexibility**
  - Ability to consider traditional circumstances in shorter periods.
- Simplicity**
  - Faster assessment typically based on security positions and exit plans.
- Diligence**
  - Diligence focuses on short timeframes, exits and security packages.
- Access**
  - Direct access to credit and legal team to negotiate documents quickly



## Why borrowers need us

- Deposit Risk**
  - Deposit paid and need funds to settle a transaction
  - Main lender not ready for settlement
  - Short term funding squeeze
- Business Opportunity**
  - Requirement to fund a specific deal or opportunity within the business
  - Specific relocation events
- ATO Debt**
  - Funding of ATO debts while waiting for mainstream lender refinance to occur
- Bridge finance**
  - Short term lending between the purchase of a new property and sale of an existing property
- End of term finance**
  - End of term traditional lender loan maturity, with a short-term exit or transition to new financier in place



## Investment Team

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The Manager has a team of investment professionals dedicated to investment strategy, fundamental Equities research and stock selection.



**Michael Bregenhoj**  
Chief Financial Officer

Over 15 years, Michael has worked across a wide range of industries including Public Practice Accounting, Corporate/Private Advisory, FMCG and General Business.

Michael has a Bachelor of Commerce (Accounting) from Macquarie University and is a Chartered Accountant.



**Nick Hughes**  
Principal / Credit Committee Member

Nick has 18 years' experience in financial markets across corporate finance, funds management, financial planning and portfolio construction.

Nick has a Commerce Degree (majors in Corporate Finance and Business Law) from the University of Sydney and is qualified under ASIC's RG146 advice regime.



**James Manning**  
Principal / Credit Committee Member

James's background in property development and professional services has given him a unique insight into both practical deliverables as well as complex regulatory and cross-board transactions. James's earlier career exposed him to having owned and operated numerous successful hotels in the greater Sydney region.

James has successfully invested and managed a number of developments across Australia and New Zealand. James has a Master's degree's in Business (Finance) and Property Development



**Tom Culleton**  
Senior Financial Analyst / Credit Committee Member

Tom is a senior financial analyst with deep expertise in investment valuations, having formerly served in PwC's Asset and Wealth Management department.

He now leads the day to day operations of the Fund and the DCF Lending platform, overseeing credit strategy, transaction structuring, and asset level risk across the portfolio. Tom plays a central role in shaping investment strategy, supporting critical decision making, and ensuring disciplined portfolio management.

# 3.0 Disclosure Principles and Benchmarks

## Disclosure Principles

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Investment objective and strategy	The Fund aims to provide investors with regular income by investing in a diverse portfolio of quality corporate Loans.  The Fund has been established to take advantage of the gap in Australia's Loan market, an area under-serviced by the Big Four banks, in which the Manager believes there are strong risk adjusted return opportunities available in Australia's alternate Loan market.  The Fund's investment strategy focuses on investing only in Loans to SME and mid-market companies with appropriate collateral pools. Using this approach, we allocate: <ul style="list-style-type: none"><li>• Up to 100% of our portfolio to diversified senior secured Loans.</li><li>• From 0% – 15% of our portfolio to special situation, subordinated or unsecured short dated senior Loans.</li></ul>	Section 4.1
	The Fund's network, capabilities in risk assessment and funding ability make this an appealing Loan sector given the high quality of security and return profile.	Section 4.1 and 4.2
	While there is no predetermined geographic allocation, the Fund will focus on Loans issued to Australian mid-market businesses operating within Australia.	
	The Manager's risk management strategy is set out in Section 4.4	Section 4.4
	The Manager may change the investment objective and strategy to meet current market conditions.	Section 4.1
	Unit Holders will be given 30 days prior notice if any of these changes are materially different from the stated investment strategy, otherwise these changes will be available on the Fund's website.	
	There are a number of risks associated with investing in the Fund. The key risks include credit and default risk, liquidity risk and utilisation risk.	Section 5.1
Investment manager	The investment manager is Defender Asset Management Pty Ltd.  The Investment Manager has overall responsibility for the Fund's investment decisions and operations and is supported by a team of professionals, each of whom have significant skill and experience in different geographies, sectors and industries.	Section 2.1

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Fund structure	The Fund is an Australian unit trust that is an unregistered wholesale managed investment scheme. The Fund issues Preference Units with coupon rates specified in the relevant Supplementary IM issued by the Manager.  A structure diagram is set out in Section 4.5	Section 4.5
	The key Service Providers are set out in Section 4.6.  These Service Providers are regularly monitored by the Manager to ensure compliance with their service agreement obligations.	Section 4.6 and 9.1
Valuation	The key aspects of the Fund's valuation policy are set out in Section 7.5.	Section 7.5
Liquidity	The Fund's investments are generally considered to be illiquid as the loan assets of the Fund are not supported by an active secondary market.  The Manager, however, will make all reasonable endeavours to provide liquidity to investors following repayment of Loan Facilities in the Fund, subject to the overall level of liquidity presented by the Fund's assets at any particular time and the Trustee's approval.	Section 4.2
Leverage	Leverage is obtained by borrowing money from lenders or financial institutions to fund investments in the Fund.  Generally, the Fund will only use investor's capital to lend to borrowers. However, the Fund may borrow up to 20% of the value of its underlying assets to manage liquidity to implement its investment strategies.	Section 4.2
Derivatives	The Manager does not generally use derivative instruments within the Funds. However, from time to time, the Manager may use interest rate swap instruments to manage interest rate risk during times of volatility. Such instruments can provide the Manager with flexibility and certainty in managing loan assets.	Section 4.2
Withdrawals/ Redemptions	The Fund is generally illiquid and under the Fund's Trust Deed, the Trustee has the discretion to approve or reject withdrawal applications. The primary consideration for the Trustee in doing so is the liquidity of assets held by the Fund.	Section 4.2

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# 4.0 About the Defender Credit Fund

## 4.1 Fund Overview

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Investment objective	<p>The investment objective of the Fund is to generate steady returns for Unit Holders by investing in a diverse portfolio of quality SME and middle market corporate Loans typically secured against residential or commercial property.</p>
Investment strategy	<p>The Fund has been established to take advantage of the gap in Australia's Loan market, an area under-serviced by the Big Four banks, in which the Manager believes there are strong risk adjusted return opportunities available in Australia's alternate Loan market.</p> <p>The Fund's investment strategy focuses on investing only in Loans to SME and mid-market companies with appropriate collateral pools. Using this approach, we allocate:</p> <ol style="list-style-type: none"><li>1. Up to 100% of our portfolio to diversified senior secured Loans.</li><li>2. From 0% – 15% of our portfolio to special situation, subordinated or unsecured short dated senior Loans.</li></ol>
Asset classes	<p>The Fund invests in the private debt market with a focus on the SME and mid-market sector. This sector has become increasingly under-serviced by the Big Four banks.</p>
Location and currency	<p>While there is no predetermined geographic allocation, the Fund will focus on Loans issued to Australian mid-market businesses operating within Australia. The Fund invests exclusively in underlying assets located in Australia and in AUD.</p>
Fund information and performance	<p>Performance information for the Fund will be displayed monthly at <a href="http://www.defenderam.com/investment/credit-fund/">www.defenderam.com/investment/credit-fund/</a></p>

## 4.2 Asset Assessment

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The Manager will target the following Fund guidelines in deal selection:

- Strength of real property assets securing the underlying Loans
- Strength of borrower's financial capacity
- Verification/serviceability of borrower
- Exit strategy from underlying Loan

The table below sets out the details of the asset assessment guidelines the Manager will consider across the new loan investments.

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Strength of real property assets securing the underlying Loans	<ul style="list-style-type: none"><li>• What is the status of the property?</li><li>• What postcode is it in?</li><li>• What's the LVR of the transaction?</li><li>• What's the security type – residential, commercial, industrial?</li><li>• Are the assets income producing?</li><li>• What are the results of title searches, other security searches and general enquiries?</li></ul>
Strength of borrower's financial capacity	<ul style="list-style-type: none"><li>• What is the financial standing of the borrower?</li><li>• How long has the borrower's entity been in existence?</li><li>• What experience does the borrower have in the type of property, asset or transaction it is using the Loan for?</li><li>• What are the results of the credit checks and bankruptcy checks on the borrowers and guarantors?</li><li>• What does the assessment of the credit worthiness of the borrower indicate?</li></ul>
Verification/ serviceability of borrower	<ul style="list-style-type: none"><li>• Can the borrower produce current financial statements?</li><li>• What financial information can be verified?</li></ul>
Exit strategy from underlying Loan	<ul style="list-style-type: none"><li>• How likely is it that the borrower will repay the Loan at maturity?</li><li>• How easy/difficult will it be to sell the underlying security?</li><li>• How quickly would we be able to sell the secured property?</li><li>• What is the expected settlement in these scenarios?</li></ul>
Leverage	<p>Leverage is a tool which may be utilised by the Manager to magnify exposures beyond the assets available to the Fund by increasing the level of investible assets.</p> <p>The Manager may from time to time use Leverage. Leverage is obtained by borrowing money from lenders or financial institutions to fund investments in the Fund. Generally, the Fund will only use investors' capital to lend to borrowers. However, the Fund may borrow up to 20% of the value of its underlying assets to manage liquidity to implement its investment strategies.</p>
Sources of Leverage	<p>Where leverage is used, the Manager will arrange certain short term debt facilities to support loan assets of the Fund. The facilities are arranged with banks or other financial institutions. These facilities are closely managed in accordance with Fund guidelines and our risk management process.</p> <p>The Trustee will review such debt arrangements in accordance with their monitoring of the Fund and Manager's performance.</p>
Liquidity	<p>The Fund's investments are generally considered to be illiquid and under the Fund's Trust Deed, the Trustee has the discretion to approve or reject withdrawal applications.</p> <p>The Manager, however, will make all reasonable endeavours to provide liquidity to investors following repayment of Loan Facilities in the Fund, subject to the overall level of liquidity presented by the Fund's assets at any particular time and the Trustee's approval.</p>

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## Derivatives

The Manager does not generally use derivative instruments within the Funds. However, from time to time, the Manager may use interest rate swap instruments to manage interest rate risk during times of volatility. Such instruments can provide the Manager with flexibility and certainty in managing loan assets.

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## Key Dependencies

The Manager has a credit committee that is responsible for assessing the merits of all Loans considered by the Manager for investment. The remit of the credit committee is not limited to just the assessment of the proposed investment of the Fund, but continues to all Loans originated for the portfolio.

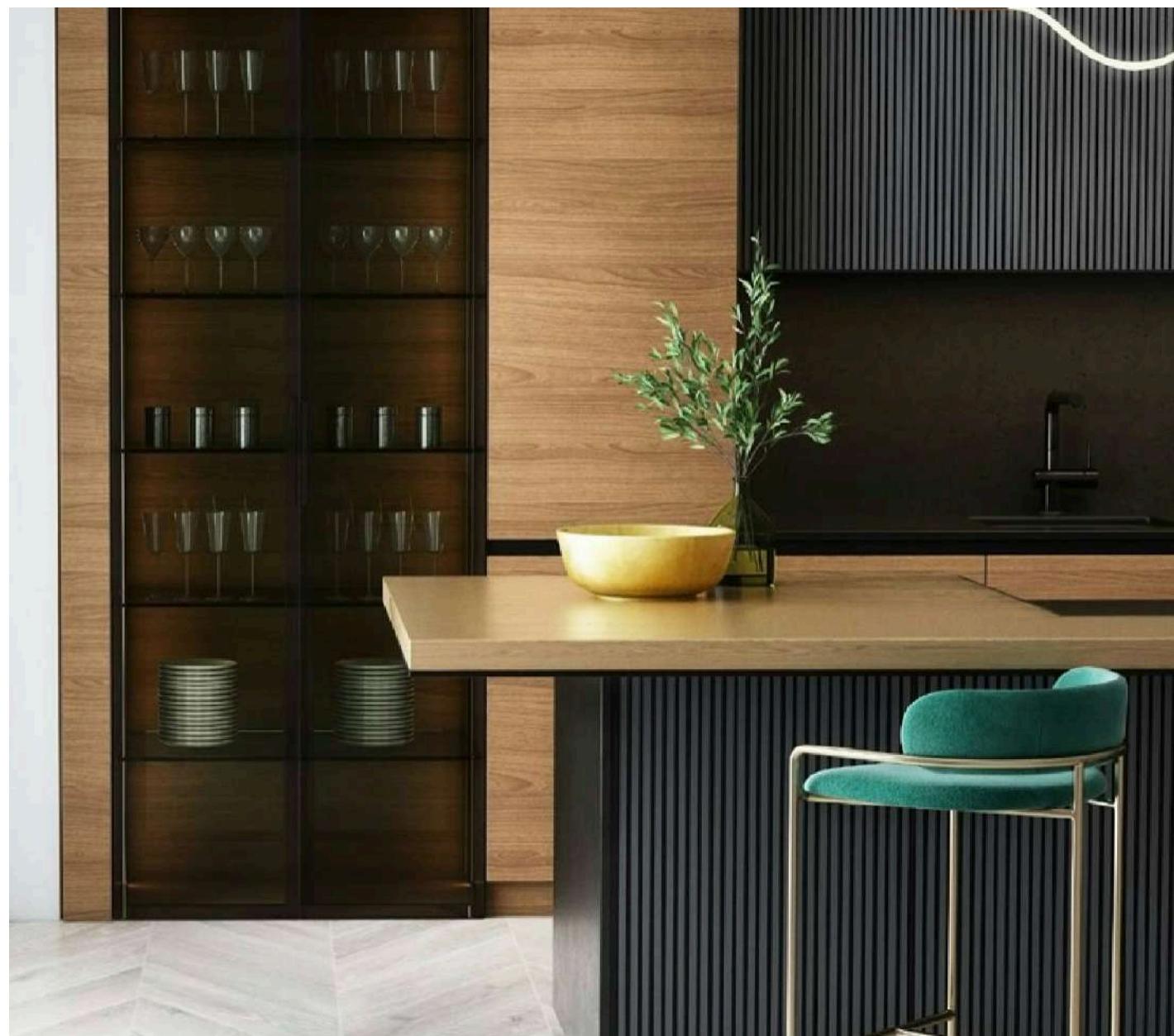
The credit committee also has oversight of the overall portfolio construction and risk management including the allocation of various classes and categories of Loans at any stage.

The key dependencies underpinning the investment strategy is the origination, due diligence, evaluation, approval and Loan management as well as the research, analysis, skill and experience of the Manager. With the investment techniques available to the Fund, the Fund aims to generate “alpha” on each underlying Loan.

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## Key Risks

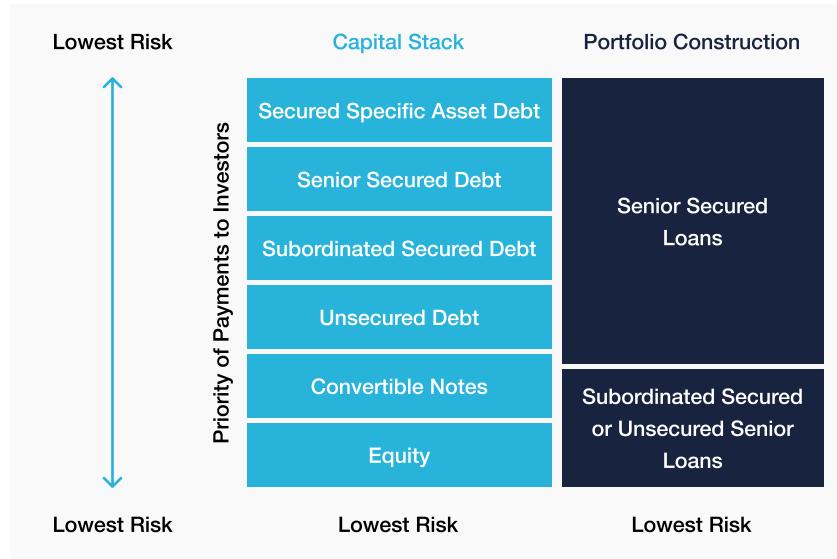
See Section 5.1 for key risks associated with the investment strategy.



## How we construct our loan portfolio

The Fund's investment strategy focuses on investing only in loans to SME and mid market companies with appropriate collateral pools. Using this approach, we allocate:

- Up to 100% of our portfolio to diversified senior secured loans.
- From 0% - 15% of our portfolio to special situation, subordinated or unsecured short dated senior loans.



## Loan Example

Property: 150 Cabarita Road, Avalon Beach NSW 2107

- Loan term: 6 months
- Underlying property: 696m<sup>2</sup> with waterfront view located within the Northern Beaches Council district.
- Loan reason: Refinance of an existing mortgage and to use funds towards satisfaction of deed of company arrangement obligations
- Assessed value:
  - \$2.6m risked valuation
  - \$3.5m on market price
  - \$3.2m: the Fund's assessed value (fire sale)
- Loan amount: approximately \$1,039,000
- Implied LVR: 74%
- Interest rate: 18%

### Existing features of the Property and the Loan:

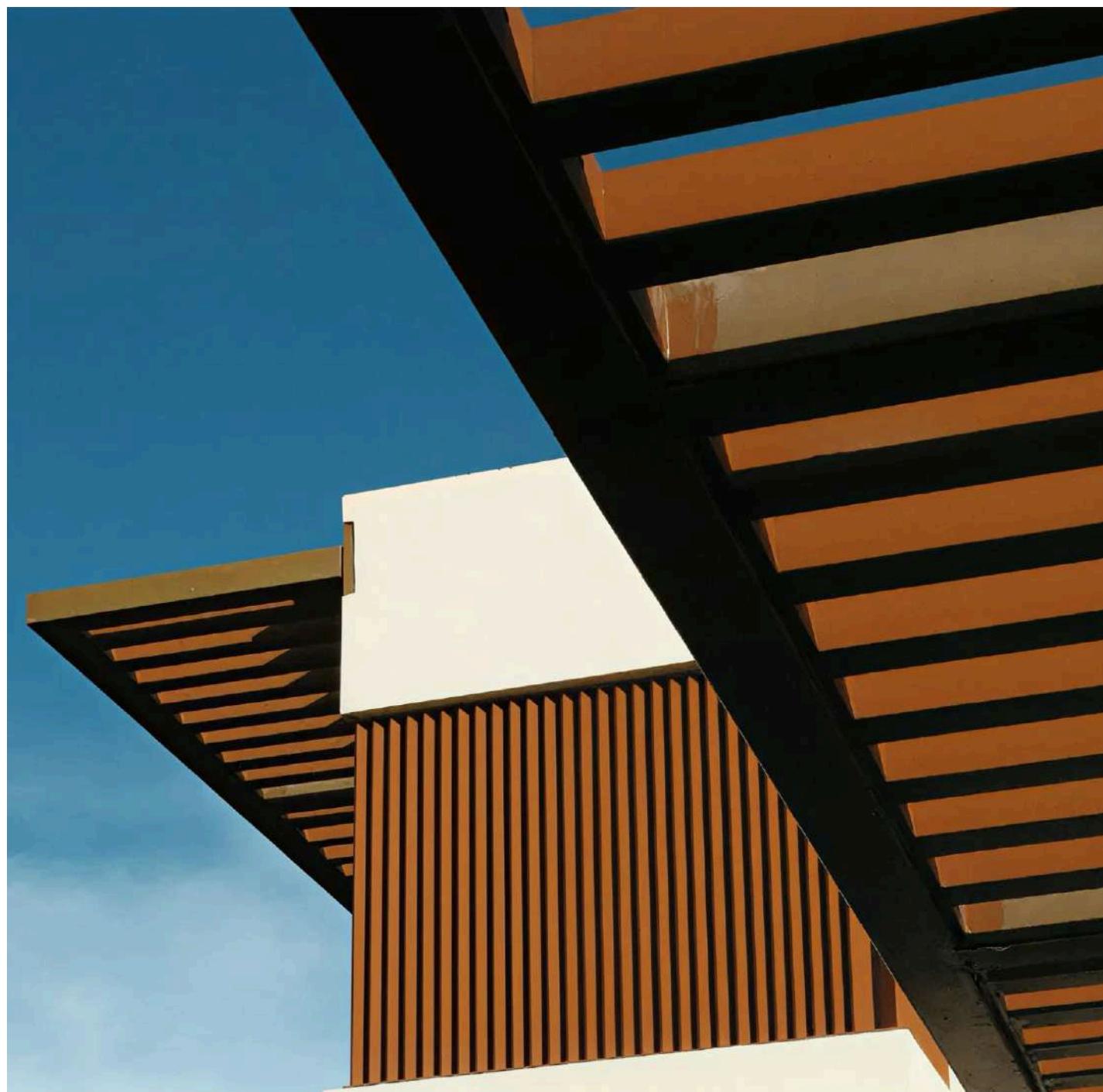
- Numerous comparable sales in the suburb and appealing views to potential buyers
- Attractive interest rate
- Good location: close proximity to Sydney CBD and popular beach areas
- Property valuation/analysis completed within 10 days to enable the Loan to be obtained at attractive return profile.
- Penalty fees and interest in place for late payment

Contingencies for potential loan impairment are identified including pathways to recovery via exercising security including taking possession of underlying security or re-finance to third party.

## Overview of Investment Opportunity



Please note that the above examples have been provided for illustration purposes only. Past performance is not an indication of future performance.



## 4.3 Hedging

The Fund is denominated in AUD and are invested in loan assets held in Australia. The Fund is not directly exposed to fluctuations in foreign currencies but may be subject to related economic risks

and industry-specific risks present in Australia. The Fund does not undertake hedging activity.

## 4.4 Risk Management Strategy

The Manager has a credit committee that is responsible for assessing the merits of all loans considered by the Manager for investment. The remit of the credit committee is not limited to just the assessment of the proposed investment of the Fund but extends to all loans originated by the Manager for the portfolio.

The credit committee also has oversight on the overall portfolio construction and risk management, including the allocation of various classes and categories of loans at any stage.

The Manager has risk management processes in place including an investment methodology of diversification and limited exposure to certain investments, actively monitoring the Fund's exposure and liquidity, undertaking due diligence where practicable on investments and obtaining expert external accounting, legal and tax advice. Unit Holders benefit from the Investment Manager's skills and experience in implementing the investment strategy of the Fund and its directors' experience in operating managed investment schemes. Although the number of personnel of the Investment Manager is small, this may also be a benefit since it enables a more

nimble, hands-on and active management style to be adopted by the Investment Manager.

Loan asset exposures are constantly monitored to ensure all the assets of the Fund are aligned to the Fund guidelines. Operating and investment processes are continuously reviewed through a combination of internal audit, regular compliance monitoring, management self-assessment procedures and risk management oversight.

Management of key controls and performance measurement is accomplished through routine reporting on investment activities, exposure and liquidity, undertaking due diligence on investments and obtaining expert external accounting, legal and tax advice. There is no guarantee that the risk management strategy will be successful all the time.

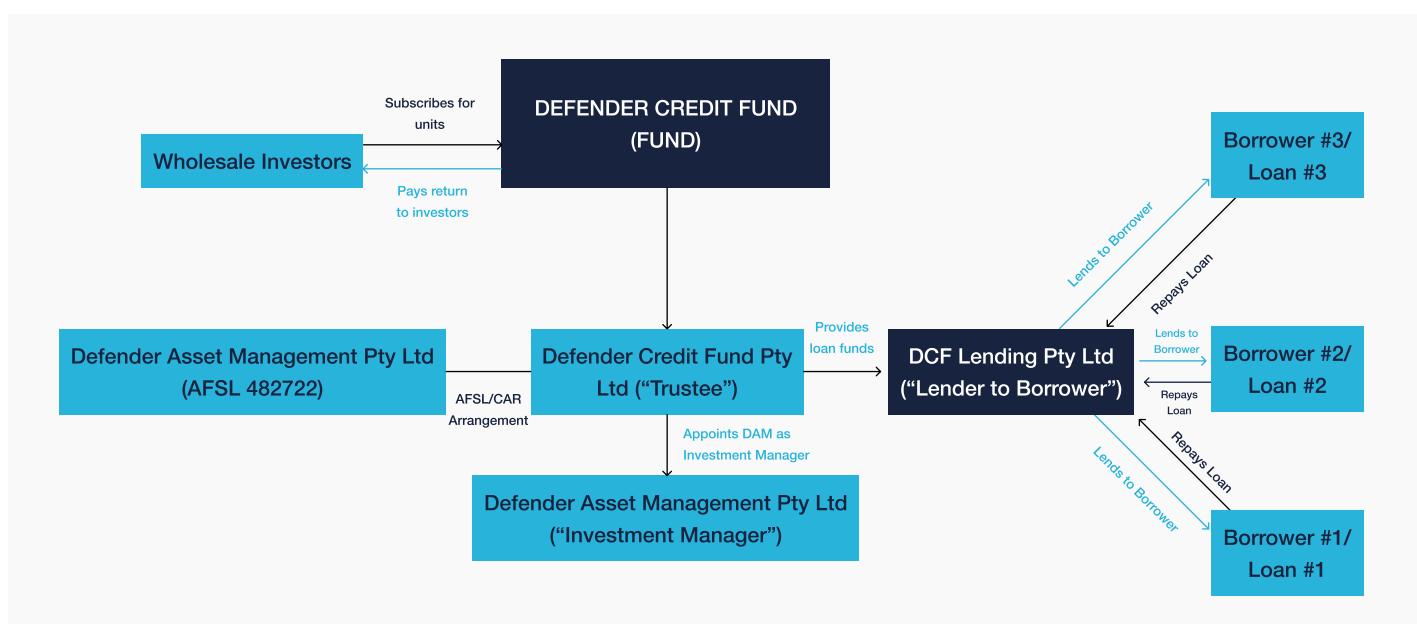
See Section 5.1 for risks relating to the above, in credit and default risk.

## 4.5 Fund Structure

The Fund is an Australian based unregistered managed investment scheme available to wholesale investors. The Fund obtains its exposure by investing directly in loan assets. The Fund will generally do this by investing in a diverse portfolio of quality SME and middle market

corporate Loans typically secured against residential or commercial properties.

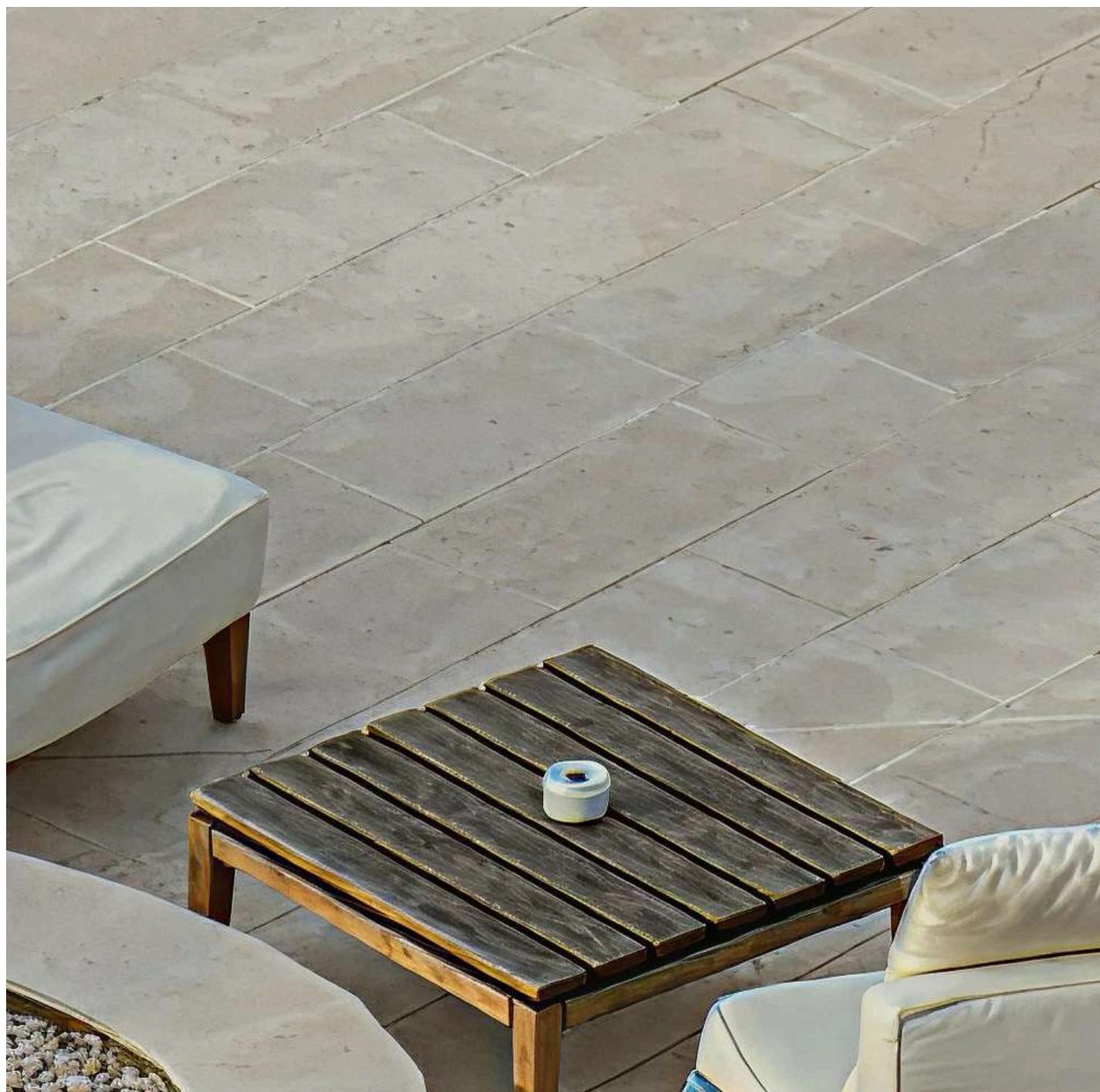
The diagram below indicates how the Fund invests in underlying Loans.





## 4.6 Key Service Providers To The Fund

Investment Manager	Defender Asset Management Pty Ltd	Managing the Fund's investments.
Administration & Accounting	First Equity Tax Pty Ltd	Investment accounting, fund accounting and net asset value calculations.
Registry	Vestra Corporate Pty Ltd	Investor services and fund registry.
Legal	Brown Wright Stein Lawyers	Legal services for the Fund.
Compliance	Finserv Compliance Pty Ltd	Independent compliance review and advice to the Manager.





## 4.7 Classes of Units In The Fund

The beneficial interest in the Fund is divided into Units. A Unit confers on the Unit Holder an undivided beneficial interest in the assets of the Fund as a whole, subject to the liabilities of the Fund and not in parts or single assets.

This Offer is an invitation to subscribe for Preference Units in the Fund. Additional information in respect of current Preference Units on offer, including their coupon rate, is contained in the current Supplementary IM.

The Trustee has the power to create additional Classes of Units for various purposes with the same or different terms to the existing Classes.

A Unit Holder holds a Unit subject to the rights, restrictions and obligations attaching to that particular class of Unit.

The Trust Deed and law provide that all units of a class rank equally with units in that same class with respect to matters such as fees, redemptions, distributions and on winding up. Different classes may have differing arrangements on these matters compared with other classes of units. These other Classes may have different arrangements with respect to Coupon Rate, fees and minimum holdings, to reflect the differing nature of underlying loan assets held in the respective Classes.

These arrangements will be set out in the relevant Supplementary IM.

# 5.0 Risks

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The Manager has identified the key risks below, which should be considered before choosing to invest in the Fund. This section is not a comprehensive summary of all of the risks related to an investment in the Fund. You should read this document in full before deciding

whether to invest and consider consulting your financial and legal advisor, stockbroker or other professional advisors should you require advice or clarification.

## 5.1 Risks Applicable To The Fund

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### Risk Factors

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The value of investments will vary. The level of returns may vary and future returns may differ from past returns. Returns are not guaranteed and distributions may be reduced or suspended and/or the capital value of the Fund may be reduced.

An investment in the Fund is subject to usual investment risks, including loss of capital invested. Laws affecting investment vehicles of this type may change in the future, which may have an adverse effect on returns. Each investor's level of risk will vary depending on a range of factors, including their age, their investment time frames, where other parts of their wealth are invested and their risk tolerance.

### Credit and default risk

Credit risk is that one or more assets to which the Fund is exposed may decline in value or fail to pay interest or principal when due because the borrower fails to perform their contractual obligations, either in whole or part.

Losses may occur because the value of the asset is affected by the borrower not paying interest and repaying principal, which results in default. This can have an impact on the potential investment return.

### Liquidity risk

The Fund's investments are generally considered illiquid compared to exchange traded investments. An investment in the Fund is illiquid as investors have no right of redemption or ability to voluntarily withdraw from the Fund until the Fund is terminated. There will also be no liquid secondary market for Units in the Fund.

### Utilisation risk

It is possible that some Loans may be repaid early, and therefore the actual maturity of the investment Loans may be shorter than their stated final maturity calculated based on the stated life and repayment schedule. Prepayment of the Loans may result in a loss of income until such time as the capital is reinvested.

Prepayments may be prompted by increasing availability of debt from the capital markets and increased price competition among lenders, or as a result of an increase in the value of the secured properties, which make those properties a more financeable proposition to those lenders who are active at the relevant time. This may lead to lower-yielding investments by the Fund, leading to lower returns on the Fund's Loan investments.

## Inadequacy of security

If a borrower defaults, the Fund will rely upon the security arrangements in place to recover the Loan principal, interest and any other amounts due to the Fund. It is possible that the value of assets secured in respect of a Loan may be inadequate to cover the full amount of money outstanding to the Fund.

This may occur due to a variety of reasons, including a decline in a borrower's financial position leading to lower cash flows or a lower value attributable to the security property, and enforcement of the security taking longer than anticipated.

If the Loan is unsecured, the Fund's right to recover the Loan will rank equally with any other unsecured creditors and behind any secured creditor of the borrower. Accordingly, if a Loan is unsecured and the borrower is unable to meet its obligation to repay the Loan, pay interest on the Loan or both, it is likely investors will not receive the income return expected and may suffer a capital loss.

In circumstances where particular loans assets have inadequate security arrangements or where recovery proves difficult and protracted, the Trustee may elect to segregate those loan assets to a new unit class that is separate from the other classes in the Fund as a 'Side Pocket'.

Assets in the Side Pocket would, in all likelihood, be managed by specialist debt recovery experts appointed by the Trustee. Investors in the Fund would receive a pro-rata allocation to new units created in the Side Pocket unit class of the Fund.

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## Interest rate risk

Changes in cash interest rates may result in an increase in the costs of funding which could influence the Fund's ability to meet its target return. This may in turn reduce the earnings paid to investors.

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## Portfolio risk

The Manager may choose to invest on behalf of the Fund in Loan assets in differing propositions to best implement the investment strategy and allocate capital and direct assets as it may determine. These may include availability of capital, origination opportunities and prevailing market conditions. However, the Fund may not be able to achieve its preferred allocation when seeking to meet the investment strategy of the Fund.

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## Conflicts of interest

The Trustee, the manager and their related parties including any lender on the record may encounter conflicts of interest in connection with the activities of the Fund. For example, there may be conflicts of interest with the Manager on its personal account, other direct co-investors and Defender Asset Management Pty Ltd's other managed funds (Interested Parties).

This may occur in relation to, among other things, the allocation of investment opportunities between the Fund and the Interested Parties and the ongoing management of investments in which both the Fund and the Interested Parties invest. It is possible that the Trustee or the Manager may, in the course of its business, not manage the conflicts identified above effectively and as such, may be adversely impactful to the Fund and its investors.

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## Market risk

Certain events may have a negative effect on the price of all types of investments within a market in which the Fund holds investments. These events may include, but not limited to, changes in legal, tax, economic, social, technological or political conditions, as well as general market sentiment. Industry specific shocks relevant to underlying Loan assets and general market disruption can adversely impact the value of the Fund assets.

There can be no guarantee given in respect of the future earnings of the Fund or the earnings or any capital appreciation of the Fund's investments.

Adverse economic conditions	Changes in the macro-economic conditions such as unemployment, interest rates, consumer confidence and changes in the rate of economic growth can influence the need for financing and the ability of borrowers to repay their financial obligations. The Fund's ability to write new Loans on favourable terms might not be possible considering the prevailing economic conditions which may impact the financial performance of the Fund.
Investment objectives not achieved	The performance of the Fund relies on the ability of the Manager to source and assist in the making and profitable realisation of investments of the Fund within a specific period, while managing and maintaining a portfolio of investments that achieves the target return. There is no assurance that suitable investments will be or can be acquired in a timely manner or that the investments will be profitable, nor is it guaranteed that the Fund will be managed successfully and meet its objectives. Past performance is not necessarily a guide to future performance. There is no assurance that any investor will receive any distribution from the Fund.
General risks	Prospective investors should be aware that profitability of the Fund may be influenced by various factors external to the Trustee and the Manager's control and ultimately, affect the value of an investor's investment. This may include (but not limited to): changes in government fiscal and regulatory policies; changes in interest rates and inflation; changes in exchange rates; changes in the general level of prices on local and international share markets and general investor sentiment in these markets; political events; war; natural events; and public health emergencies or pandemics.
Fraud and misrepresentation	The value of the Loan investments made by the Fund may be affected by fraud, misrepresentation or omission on the part of the borrower to which the investment Loan relates, by parties related to the borrower or by other parties to the investment Loan or related collateral and security arrangements.
Force majeure events	There is a risk that force majeure events, such as natural phenomena, for example, pandemics, epidemics, earthquakes and floods and terrorist attacks, may affect the assets of a borrower and that insurance is not available to cover those losses. Should such an event occur, a loss will result, which will have a negative impact on the income and/or capital value of the Fund.
Legal risk	The Fund may, in the ordinary course of business, be involved in possible litigation and disputes, for example, default disputes and legal or third-party claims. A material or costly dispute or litigation may adversely affect the income or capital value of the Fund. The Fund will enter into legal and contractual arrangements in respect to the investment Loans and the Fund's operation including management arrangements and debt financing arrangements. Should a counterparty fail to perform as contracted under these agreements, the Fund may be adversely affected. In addition, changes in law could adversely affect the Fund. For example, changes to taxation laws or the interpretation of those laws by revenue authorities or laws restricting certain investments in Australia could have an adverse effect on the Fund.
Regulation	<p>Regulation of the Manager, the Trustee and the Fund and its investments may change which may impact on the investment returns and nature of the Fund (e.g changes to credit regulations).</p> <p>The structure of the Fund and its investments are based on Australian law, tax and administrative practice in effect at the date of this Information Memorandum. No assurance can be given that Australian law, tax or administrative practice will not change at a later date and adversely impact the structure of the Fund's transactions and the treatment of its investments.</p>

## Tax

The taxation of the Manager, the Trustee and its investments is complex and dependent on the taxation laws and the manner in which these are interpreted and administered by the Australian government agencies and courts. The relevant taxation laws and the manner in which they are interpreted and/or administered by the Australian government agencies and courts may change. Such changes may impact on the investment returns and their character. See Section 8 for further details.

## Redemption and Liquidity Risk

Redemptions from the Fund may be limited in the situations described in Section 7.2.

The Fund may not be able to promptly liquidate some of its investments at an amount close to their fair value or liquidate them at all. This would cause losses to the Fund or reduce the ability of Unit Holders to redeem their Units from the Fund.

## Reliance on DCF Lending Pty Ltd as Lender

Since DCF Lending Pty Ltd (DCF) is the primary lender on record to each borrower, the Fund's exposure is concentrated through one lender entity rather than being shared across multiple lenders. If DCF experiences operational failure, insolvency, legal challenge or regulatory action, the Fund may be unable to enforce its rights or recover amounts owing from each borrower in a timely manner, even where the borrower remains solvent and willing to pay.

In addition, enforcement of security and loan rights (including appointment of receivers, sale of secured assets and restructurings) is dependent on that single lender entity, DCF. Any defect in documentation, limitation in enforcement rights, or conflict of interest affecting that entity may adversely impact recoveries for the Fund and, ultimately, investors.

## 5.2 Risk Management

The Manager has risk management processes in place including an investment methodology of diversification and limited exposure to certain investments, actively monitoring the Fund's exposure and liquidity, undertaking due diligence (where practicable) on investments and obtaining expert external accounting, legal and tax advice.

Unit Holders benefit from the Investment Manager's skills and experience in implementing the investment strategy of the Fund and its directors' experience in operating wholesale unregistered managed investment schemes. Although the number of personnel of the Investment Manager is small, this may also be a benefit since it enables a more nimble, hands-on and active management style to be adopted by the Investment Manager.

Asset exposures are constantly monitored to ensure all the assets of the Fund are aligned to the investment parameters. Operating and investment processes are continuously reviewed through a combination of internal, regular compliance monitoring, management self-assessment procedures and risk management oversight.

Some investments may be made based on limited due diligence and on publicly available information. This may increase risks to the Fund associated with those investments.

Management of key controls and performance measurement is accomplished through routine reporting on investment activities.



# 6.0 Fees and Other Costs

## 6.1 Fees And Other Costs

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

are set out in another section of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Specific of the fee	Specific of the fee	Specific of the fee
	Management Fee	0.25% p.a.
	When is the fee paid?	The fee is paid by the ordinary unit holders on a pro-rata basis to the Manager.
Type of fee and cost	Amount	How and when paid
Management fee	0.25% p.a	This fee is paid monthly in arrears.
		The fee is paid to the Manager to manage the Funds.
Debt Facilitation fee	NIL	There is no debt facilitation or disposition fee.
Expenses and Indirect Costs	As incurred	These are the out-of-pocket expenses and other costs that the Trustee or the Manager is entitled to recover from the Funds, including but not limited to expenses incurred in issuing Units, convening and holding Unit Holders' meetings, amending the Trust Deeds of the Funds and establishing and maintaining registers and accounting records. This also includes expenses incurred by the Trustees in respect of external service providers and advisors, including compliance costs, accounting and legal fees.
		The Trustee is entitled to be reimbursed from the assets of the Funds as and when the Trustee incurs the relevant expenses.
Performance fee	NIL	There is no performance fee paid.

### Notes:

1. All fees set out in this Section 6 are inclusive of the net effect of Goods and Services Tax (GST) (i.e. includes GST net of input tax credits). The Funds may not be entitled to claim a reduced input tax credit in all instances.
2. These amounts do not include any other indirect costs and may vary in future years. Refer to Section 6.3 for more details.



## 6.2 Additional Explanation Of Fees And Costs

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### Management Costs

All estimates of fees and costs in this section are based on information available as at the date of this IM. As the Fund is newly established, the figures reflect the Trustee's reasonable estimate at the date of this IM of those fees and costs that will apply for the current financial year (adjusted to reflect a 12-month period).

These amounts are inclusive of GST less reduced input tax credits. The total management costs for the Fund include the Management Fee and indirect costs (including recoverable expenses). They do not include the transactional and operational costs of the Fund.

Management costs are payable from the Fund's assets and are not paid directly from your account. The management costs reduce the Net Asset Value of the Fund and are reflected in the NAV per Unit.

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### Management Fee

This is the fee charged by the Investment Manager for managing the Fund and its investments. The Manager will be paid a Management Fee of 0.25% per year of the Net Asset Value of the Fund. The Management Fee is calculated and accrued monthly and paid from the Fund monthly in arrears. The Management Fee is reflected in the Unit price.

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### Performance Fee

The Manager will not charge a performance fee.

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### Expenses

All costs or general expenses incurred (or that will be incurred) by the Manager in connection with the management of the Fund and the Offer are payable out of the Fund.

The Manager is responsible for providing at its cost all office personnel, office space and office facilities required for the performance of its services.

The Fund will pay all other expenses incidental to its operations, including, but not limited to:

- Fees payable to the Fund's Service Providers (e.g. Administrator, Registry and Brokers, and Lenders);
- Service Providers out of pocket expenses incurred on behalf of the Fund;
- Taxes imposed on the Fund or the Manager;
- Governmental charges and duties;
- The Fund's advisers (e.g. legal, accounting);
- Printing and distributing the IM, subscription materials, marketing materials and any reports; and
- Notices to Unit Holders or prospective Unit Holders.

The Fund may also pay unanticipated expenses arising from its business, such as litigation and indemnification expenses.

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### Indirect Costs

In general, indirect costs are any amounts that reduce the returns on the units that is paid from, or the amount or value of, the income or assets of the Fund (including an underlying investment of the Fund).

They also include costs associated with investments incurred with underlying funds and investments in certain derivatives in underlying funds. Indirect costs are reflected in the unit price of your investment in the Fund.

## Transactional and Operational Costs

The Fund may incur transactional and operational costs such as loan origination, settlement, stamp duties and government charges, legal documentation and asset recovery costs. Transactional and operational costs are additional costs to Unit Holders that are deducted from the assets of the Fund.

Such costs are recovered as they are incurred and reflected in the Unit price. Transactional and operational costs may vary as the turnover in the underlying loan assets may change substantially as investment and market conditions change, which may affect the level of transactional and operational costs.

Further, there are highly variable drivers upon which such transactional and operational costs are dependent.

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## Tax

See Section 8 for information

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## Fees Waiver and Deferral

The Manager may defer the receipt of any fees from time to time. If it does this, this will not affect its right to receive the applicable fee. The Manager may waive all or part of the Management

Fee, or other fees for certain Unit Holders or pay all or part of such fees or amounts out of our own resources to third parties (eg financial advisors, dealer groups) for services related to the placement of Units. It is not possible to estimate these amounts.

If the law allows, we may charge fees on a different basis to our associates and Unit Holders that are wholesale clients (as defined under the Corporations Act) and who make a substantial investment in the Fund or other of our investment products.

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## Advisor Service Fee

You may agree to pay your own advisor a fee for any financial advice that they provide to you. However, these are separate to any fees we charge in respect of your investment in the Fund, as set out in this IM and the table above.

## 6.3 Example Of Annual Fees And Costs

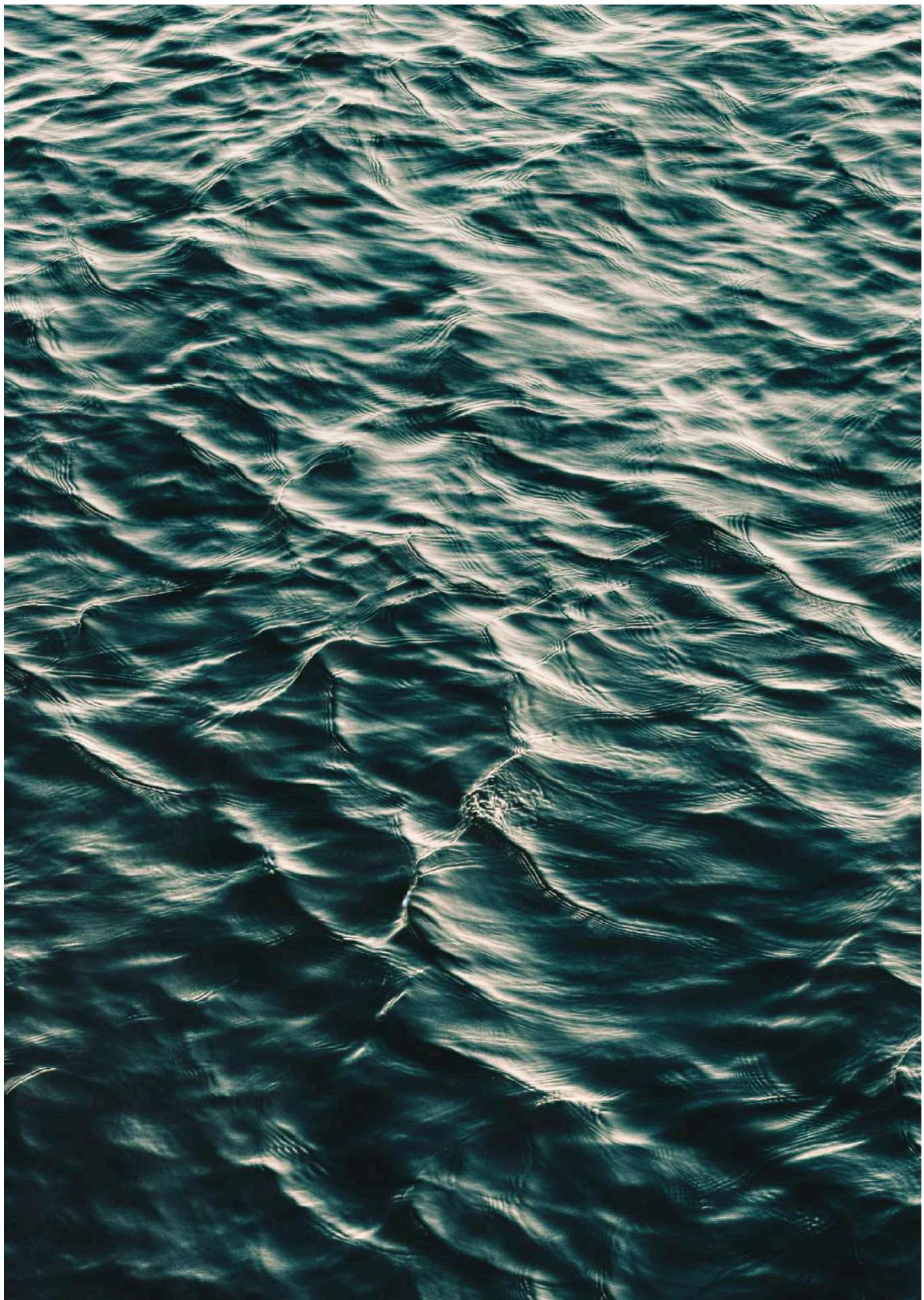
The following table gives an example of how the fees and costs applicable to Units in the Funds can affect your investment over a one (1) year period. The hypothetical example below assumes that a

Performance Fee is payable to the Manager. Please note that this is just an example. In practice, your investment balance will vary, as will related management costs.

### Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs associated with your investment in the Funds will affect your investment balance over a 1-year period. You should use this table to compare the ongoing fees and costs of this Funds with other similar unregistered wholesale managed investment schemes.

Example	Per Annum Basis	Balance of \$250,000 with a contribution of \$25,000 during the year <sup>1</sup> .
Contribution Fees	NIL	For every additional \$25,000 you put in, you will be charged \$0 contribution fee.
Plus Management Fees	0.25%	And for every \$250,000 you have in the Funds you will be charged a Management Fee of \$625 each year (i.e., 0.25% x \$250,000).
Plus estimated expenses and indirect costs <sup>2</sup>	0.4%	And, you will be charged or have deducted from your investment \$1,000 to reflect estimated expenses and indirect costs.
Equals cost of investing the Fund		If you had an investment of \$250,000 at the beginning of the year and you put in an additional \$25,000 during the year, you would be charged estimated fees and costs of: \$1,625.



# 7.0 How the Fund Works

## 7.1 How To Apply

To invest in the Fund, you must complete an Application Form.

Applications and application amounts must be received by the Registry prior to 5:00pm (Sydney time) five Business Days before the end of a month, unless otherwise agreed by the Manager in its absolute discretion. Applications received after the cut-off time will

generally be processed the following month. The Manager may from time to time allow additional times for accepting applications.

Additional Application Forms may be obtained from the Registry or by telephoning the Manager on (02) 8624 6130 or emailing [info@defenderam.com](mailto:info@defenderam.com).

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### Minimum Investment Amount

The minimum investment amount is \$100,000 unless otherwise approved by the Manager.

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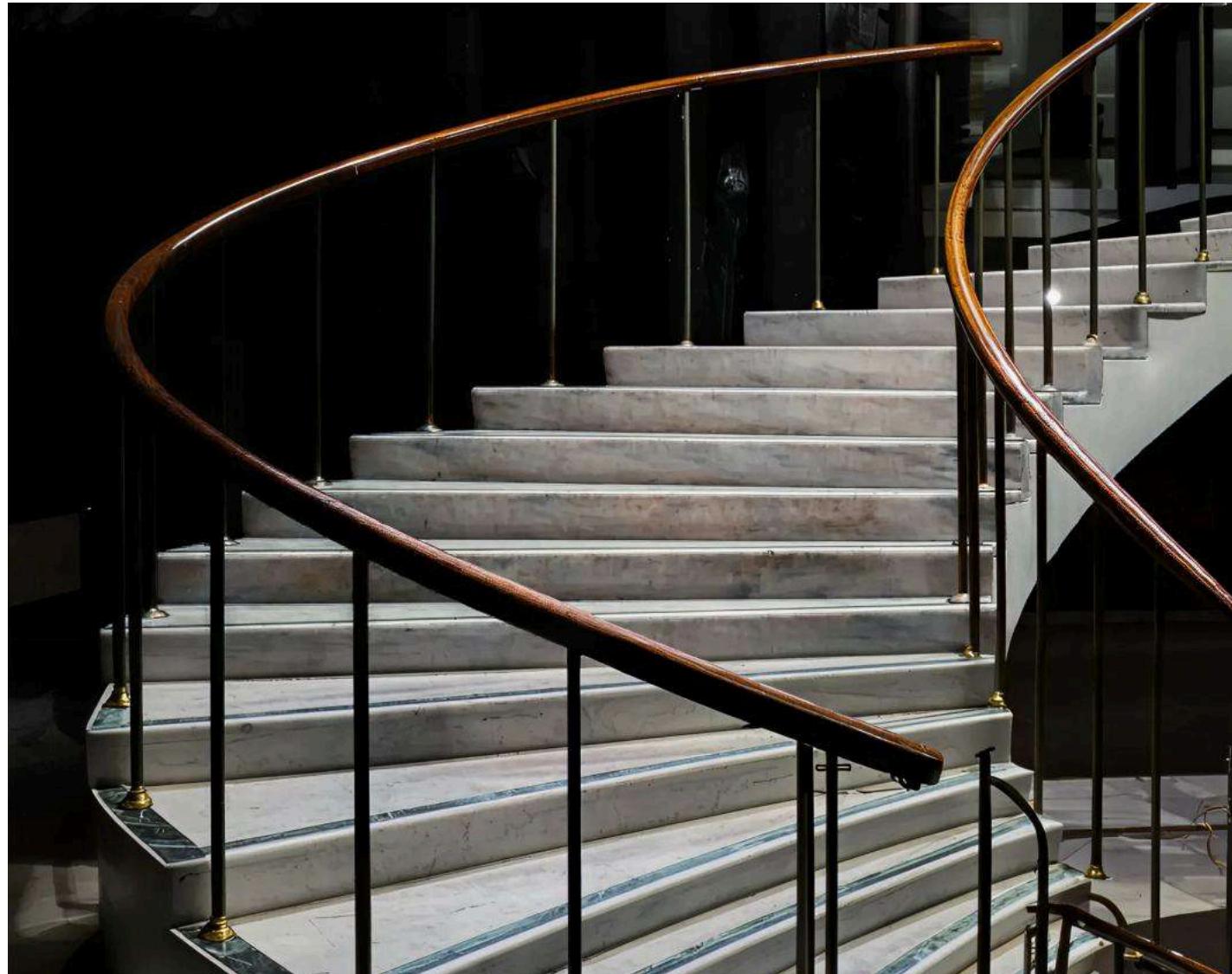
### Issue Price

The issue price of Units will be \$1.00 per Unit.

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### Issue of Units

The number of Units issued to an applicant will be equal to the application amount divided by the issue price.



## 7.2 How To Redeem

Unit Holders may make a request to redeem their Units by giving written notice to the Manager. The Manager will make a recommendation to the Trustee of the relevant Fund regarding approval of the redemption request. The Trustee may, in its absolute discretion, redeem units in accordance with the request.

Redemption requests must be received by the Manager prior to 5pm (Sydney time) 30 days (or such lesser period as the Manager may

determine) before the last Business Day of each calendar month (Redemption Valuation Date).

The Manager may from time to time allow additional times for accepting redemptions. All redemption requests are subject to whether there is sufficient liquidity in the Fund.

### Minimum Redemption Amount

The minimum redemption amount is \$25,000 unless otherwise approved by the Trustee. Redemption requests may be refused if the processing of a redemption request would result in the Unit Holder holding an investment balance of less than \$100,000.

### Redemption Price

Where a redemption is approved by the Trustee, the redemption price for a Unit will be its Net Asset Value per Unit as at the Redemption Valuation Date.

The Manager expects that redemptions will be processed and typically paid within 30 days of the Redemption Valuation Date, however, in certain circumstances, redemptions may take longer.

It may take up to 120 days from the Redemption Valuation Date to calculate your redemption price or pay your redemption proceeds. This is because the ability to fund a redemption is generally dependent on the ability of the Funds to realise their investments.

In some circumstances, redemptions may also be suspended as set out below.

### Restriction On Redemptions

The Trustee is restricted from approving redemption applications where approving the application creates circumstances where the redemption would be adverse to the relevant Fund as a whole. Where, in the opinion of the Trustee, the redemption would be adverse to the interests of unitholders as a whole, the Trustee will decline to approve the redemption application.

### Where The Fund Is Not Liquid

The redemption process, including the calculation of the redemption price, described above applies only when the Fund is 'liquid' (as defined in section 601KA of the Corporations Act 2001). If the Fund is no longer liquid, Units may only be redeemed under a redemption offer made to all Unit Holders in the Fund, in accordance with the Trust Deed and the Corporations Act. Unit Holders will be notified in writing of any material changes to their redemption rights.





## 7.3 Transfers

You may not sell or transfer (or agree to do so) any Units to another person without our prior written consent. We may impose certain terms and conditions or delay or withhold our consent.

To apply, complete and send to the Registry the transfer document. This is available from the Registry. If you do not obtain our consent,

we may compulsorily redeem the relevant Units. The sale or transfer of Units will have tax consequences. Stamp duty may also be payable unless an exemption applies. You should obtain tax and stamp duty advice before requesting a transfer.

## 7.4 Distribution

The distribution policy of the Fund is to distribute monthly interest payments to investors and capital returns at the end of each return period. The Manager has also an option to return capital early.

Distributions from each Preference Class units on offer from time to time may comprise income and/ or capital as determined by the Trustee under the Fund's Trust Deed and set out in the Supplementary IM accompanying this IM. We may also distribute additional amounts at other times.

There is no guarantee that any income will be derived from the Fund. Distributions are calculated based on the number of Units in the relevant Class held as at the return date (e.g. when a loan is repaid

and funds received). Your distribution entitlement is not pro-rated for the duration of your investment during the year.

You can elect to reinvest distributions. Distributions will be reinvested in the Class of Units from which further underlying Loans are advanced. If you do not make a choice, distributions from the Units will be automatically reinvested in further Units.

Such Units will be issued at the relevant Net Asset Value per Unit. If you hold other Classes of Units in the Fund, any election you make with respect to Units will apply to your other classes of Units.

## 7.5 Net Asset Value Of Units

The Net Asset Value for a Unit is the total value of the Fund's assets less the Fund's liabilities (calculated in accordance with the Trust Deed) each referable to that Class, divided by the number of Units on issue in the Class. The key aspects of the valuation policy applied in valuing the Fund's assets are set out below. We may rely upon the valuations or prices supplied by third parties and/or industry standard pricing models for which we will not or are not able to verify the accuracy.

The Manager has appointed the Administrator to calculate the net asset valuations of the Fund. Units will typically be priced monthly on the last Business Day of each calendar month except where the calculation of the Net Asset Value of the Fund is

suspended (refer Section 7.2 for further details). Unit prices will be displayed monthly at [www.defenderam.com/](http://www.defenderam.com/) investments or can be obtained by telephoning (02) 8624 6130.

The Manager has documented how it intends to exercise Unit pricing discretions in a policy document. If a discretion is exercised in a way that departs from the documented policy, a record of this will be kept in an exceptions register. The policy document and any exceptions register will be available to Unit Holders free of charge by contacting the Manager.



## Valuation

The key aspects of the Fund's valuation policy are:

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### LVR

The Manager will seek to achieve a blended LVR across the Fund portfolio of senior secured loans of between 60 and 85%.

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### Secured assets

Assets used as security are located in Australia and are encumbered by the Trustee using first or second ranking registered mortgages, general security agreements and/or director's guarantees from the borrower.

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### Loan assets

Loans will be valued at par (original issue price) plus accrued interest and fees, unless impaired, less any costs of originating the loan. In the event of impairment, the Manager will seek independent valuation of the loan assets to assess recoverability and adjust the Fund Net Asset Values accordingly.

The Manager may utilise an alternative valuation methodology or principle to those described above if it considers that such valuation would better reflect the fair value of the asset.

## 7.6 Cooling Off Rights

Unit Holders may have their Units cancelled and monies returned to them where the Manager receives from them a written redemption request within 14 days of the earlier of confirmation by the Manager of that Unit Holder's initial investment in Units or the fifth Business Day after that Unit Holder's Units are issued under this IM.

The monies returned will be equal to the price at which Units could be applied for on the day the Manager receives the redemption request (adjusted for market movements, reasonable transaction and administration costs and any applicable fees and taxes).

This cooling off right does not apply for investments under the Fund's distribution reinvestment plan.

# 8.0 Tax Considerations

## 8.1 General Overview

The information in this section is based upon Australian tax law and administrative practices in force as at the date of this Information Memorandum. The Australian income tax law is subject to change at any time and any such changes could adversely affect the information provided herein.

Any gains from the Fund's investments and from your investment in the Fund may be treated on revenue or capital account depending on the particular circumstances of the Fund and each investor. This may impact the Fund's and an investor's ability to obtain a discount on the capital gains tax applied on any gains.

Under Australian tax law, a holding of Units may give rise to taxable distributions even though investors may not receive distributions in cash to fund the tax liability. The transfer or redemption of Units

involves a disposal, which may have tax implications. Stamp duty may also be payable on the transfer unless an exemption applies. You are not required by law to quote your TFN. However, without your TFN or appropriate exemption information, we are required to withhold tax at the highest marginal tax rate (plus Medicare levy) from income distributions and interest payments made to you.

Investors should obtain independent professional advice in relation to their particular circumstances regarding the taxation consequences of an investment in the Fund before investing.



## 8.2 Summary of Tax Implications

A summary of the general Australian taxation implications for the Fund and Investors in the Fund is set out below.

The summary has been prepared on the basis that Investors:

- Are tax resident in Australia;
- Are subject to Australian tax (that is, are not exempt from Australian tax); and
- hold their investments on capital account.

The summary does not consider the tax implications for other taxpayers who hold their investments on revenue account (e.g. banks, life insurance companies, equity traders, etc.).

These comments are of a general nature only and do not constitute tax advice and should not be relied upon as such. Investors should seek their own independent taxation advice about their specific facts and circumstances.

It is intended that the Fund will qualify as a managed investment trust (MIT) for Australian tax purposes. Where possible, the Trustee of the Fund may elect for the Fund to be an Attribution Managed Investment Trust (AMIT). If such election is made, the election will apply for all income years while the Fund continues to meet certain criteria.

## Taxation Of The Fund

The Trustee of the Fund should not generally be subject to tax in respect of the income and gains derived by the Fund in each financial year, provided investors are presently entitled to the income of the trust or, where the Fund is an AMIT, the Trustee attributes all of the taxable income of the fund to Investors in accordance with the AMIT rules and the Trust Deed each income year. It is noted that, under the AMIT Rules, the cash paid to Investors does not need to be equal to the amounts attributed to those Investors.

Where the Fund qualifies as a MIT, the Trustee intends to elect for deemed capital gains tax (CGT) treatment to apply to the Fund. The election applies to investments in shares and non-share equity interests in a company, units in a unit trust, land and rights or options to acquire shares, units or land. The election does not apply to other assets or derivatives.

Where the Fund incurs a revenue loss (which may arise where the Fund makes a loss on investments to which the deemed capital account treatment described above does not apply) in a financial year, the Fund may carry this tax loss forward to offset against future taxable income of the fund, subject to the satisfaction of the trust loss carry forward rules. Any capital losses made by the Fund can be offset against capital gains in the same financial year or carried forward to offset future capital gains. Capital losses are not subject to the tax loss recoupment rules however they cannot offset revenue gains.

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## Taxation Of Distribution From The Fund

Australian tax resident investors will include in their assessable income the amount attributed to them by the Trustee and this will be advised to Investors via the annual distribution statement. Where the Fund is an AMIT during an income year, the amount attributed to Investors will represent a fair and reasonable attribution of the Fund's taxable income determined by the Trustee in accordance with the Trust Deed. The fair and reasonable attribution may take into account the Investor's share of their interests in the Fund and any gains realised by the Fund in order to fund an Investor's redemption request.

The Trustee may be required to withhold tax from distributions in a range of circumstances including for certain payments to non- resident investors.

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## Cost Base Adjustments

The cost base of the Investor's units in the Fund will generally be the amount the Investor paid for the units (including incidental costs of acquisitions and disposals). However, changes to the cost base will be required to be calculated by each of the Investors of the Fund on an annual basis. Where the Fund qualifies as an AMIT, broadly, the cost base will increase where the Fund attributes an amount of assessable income (including grossed up capital gains) or non-assessable non-exempt income and the cost base will decrease for amounts of cash distribution to which an Investor becomes entitled to or tax offsets attributed to the Investor by the Trustee.

A reasonable estimate of the AMIT cost base net amount will be provided to members as part of the Attribution MIT Member Annual (AMMA) statement.

Similarly, where the Fund does not qualify as an AMIT, investors' cost bases should also be required to be reduced where an investor's cash distribution entitlement exceeds their share of taxable income of the Fund. Where an Investor's cost base is reduced to nil, further reductions in the cost base will be taken to be a capital gain for the Investors.

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## Disposal Or Redemption Of Units

Resident Investors will make a capital gain where the capital proceeds from the disposal or redemption of their units exceeds the cost base of the relevant units. Conversely, a capital loss will arise if the capital proceeds are less than the reduced cost base of the relevant units.

Under current law, where the Investor is an individual, an entity acting in the capacity of trustee (conditions apply) or is a complying superannuation fund and the units have been held for more than 12 months, any capital gain arising from disposal or redemption of the units may be reduced by the relevant CGT discount (if applicable).

## Annual Tax Statement

Investors should expect to receive an annual tax statement or, where the Fund qualifies as an AMIT for an income year, an AMMA tax statement for the Fund within 3 months after the end of each financial year. The statement will show the cash distributed and the taxable and non-taxable components and, where the Fund qualifies as an AMIT, a reasonable estimate of any adjustments to the Investor's cost base of their units.

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### Tax File Number (TFN) and Australian Business Number (ABN)

The Trustee is authorised under Australian tax laws to collect TFNs and ABNs in connection with investments in the Fund.

It is not compulsory for an Investor to provide their TFN (or ABN in some circumstances) or the appropriate exemption information, the Trustee must withhold tax from distributions (and undistributed amounts to which they are presently entitled) at the 'top rate', being the highest marginal tax rate (plus Medicare levy) until the TFN or exemption is provided.

Investors may prefer to provide an ABN as an alternative to their TFN if their investment is made as part of an enterprise.

Investors who have not quoted their TFN or ABN (or a relevant exemption) will need to claim a credit in their income tax return for the tax withheld (or, if this is not appropriate, they can apply to the Australian Taxation Office (ATO) for a refund).

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### Reporting

For investors that are considered to be residents of certain countries for tax purposes, we may also be required to obtain additional information and report to the Australian Tax Office (ATO) or overseas tax authority each year relevant details relating to their investment, including balance and income received, under rules designed to combat tax evasion in their country of residence for tax purposes.

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### Foreign Account Tax Compliance Act (FATCA)

The Fund is required to comply with FATCA. FATCA enables the U.S Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in non-US entities. To comply with these requirements, we will collect and disclose information about certain investors such as your US Taxpayer Identification Number to the ATO or IRS. If you do not provide this information, we may be required to withhold tax on any payments made to you.

If the Fund suffers any amount of FATCA tax, neither the Manager nor the Fund will be required to compensate you for any such tax, and the effects of these amounts will be reflected in the returns of the Fund. A credit for such foreign taxes may be available in your jurisdiction of residence.

You should seek your own advice in this regard.

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You should seek your own advice in this regard.



# 9.0 Material Contracts

The Trustee considers that the material contracts described below are those which a Unit Holder would reasonably regard as material and which Unit Holders and their professional advisers would reasonably expect to find described in this IM for the purpose of making an informed assessment of an investment in the Fund under the Offer. This Section contains a summary of the material contracts

and their substantive terms. As this Section is only a summary of the material contracts, it does not set out all rights and obligations under each material contract and these agreements will only be fully understood by reading each document in full.

## 9.1 Investment Management Agreement

The Trustee has entered into the Investment Management Agreement with the Investment Manager. A summary of the material terms of the Investment Management Agreement is set out below.

### Services

The Investment Manager will invest and manage the assets of the Fund in accordance with the terms of the Investment Management Agreement.

Other services include preparing Offer documents, reporting to the Trustee, keeping proper records of Fund transactions, liaising with the Administrator and Registry to ensure that they are carrying out their role and have any information they require.

### Power And Discretions

For the purpose of carrying out its functions and duties under the Investment Management Agreement, the Investment Manager has the powers of a natural person to deal with the assets of the Fund and to do all things and execute all documents necessary for the purpose of managing those assets.

The Investment Manager must not without the prior consent of the Trustee:

- Delegate any of its discretionary management powers under the Investment Management Agreement;
- Invest in any form of investment without prior written consent of the relevant Trustee before the Fund;
- Engage in securities lending in relation to the Fund assets.

### Non - Exclusivity

The Manager may from time to time perform similar investment and management services for itself and other persons to the services performed for the Trustee under the Investment Management Agreement.

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Exercise of Duties	The Manager must act and exercise all reasonable care, skill, due diligence and vigilance expected of a professional manager would exercise in carrying out its functions, powers and duties under the Investment Management Agreement.
Fees And Expenses	A Management Fee is payable to the Manager at the rates indicated in Section 6.

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Term And Termination	<p>The term of the Investment Management Agreement is ongoing until terminated in accordance with its terms. Either party can terminate the Investment Management Agreement immediately on certain termination events (Termination Event). 'Termination Events' include:</p> <ul style="list-style-type: none"><li>• Fraud, willful misconduct or gross negligence; and</li><li>• A receiver, receiver and manager, administrative receiver or similar person is appointed with respect to the assets and undertakings of a party, or a party goes into liquidation (other than for the purposes of a reconstruction or amalgamation on terms approved in writing by the other party) or ceases to carry on business.</li></ul> <p>The Manager may also terminate the Investment Management Agreement if the Trustee is removed as the trustee of the Fund by Unit Holders.</p> <p>The Trustee may also terminate the relevant Investment Agreement where the Manager ceases to have suitable regulatory permissions to provide services under the agreement.</p>
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## 9.2 Trust Deed

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Please refer to section 10.2 for summary of details about the terms of the Trust Deed.

# 10.0 Fund Administration

## 10.1 Communication And Reporting

Unit Holders will be provided with the communications set out in the table below and in the disclosure benchmarks set out in Section 3. Unit Holders will also receive confirmations of their Unit applications,

redemptions and distributions. Unit Holders may ask the Manager for additional information as reasonably required, although the Manager may not always be able to satisfy such requests.

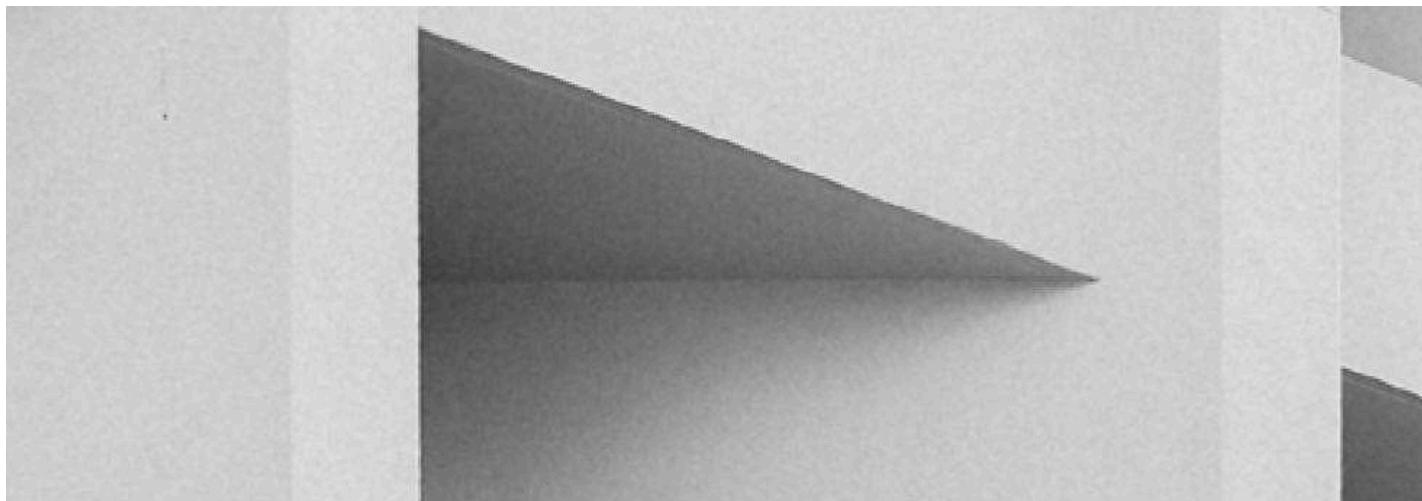
Statement	Timing
Unit Net Asset Value	Monthly
Fund Newsletter	Quarterly
Periodic Statements	Annually
Income distribution statement (including details of income entitlements)	Annually
Annual Report	Annually

We will not mail a hard copy of the annual report to you unless you elect to receive it in hard copy by completing the relevant part of the Application Form. You can elect to receive the annual report by email. The annual report will be available at [www.defenderam.com/investments](http://www.defenderam.com/investments).

Other information relating to the Units you hold will be provided in hard copy unless you elect to receive it by email by completing the relevant part of the Application Form.

If you hold other Classes of Units in the Fund, any election you make with respect to Units will apply to all classes of Units you hold.

Fund related information will be provided through our website at [www.defenderam.com/investments](http://www.defenderam.com/investments).



## 10.2 The Trust Deed Of The Fund

The Trust Deed contains the rules relating to a number of matters including:

- Unit Holder rights;
- The process by which Units are issued and redeemed;
- The calculation and distribution of income;
- The investment powers of the Trustee;
- The Trustee's right to claim indemnity from the Fund and charge fees and expenses to the Fund;
- The creation of different classes of Units including Ordinary and Preference Units;
- The termination of the Fund.

It is generally thought that Unit Holders' liabilities are limited to the value of their holding in the Fund. It is not expected that a Unit Holder would be under any obligation if a deficiency in the value of the Fund was to occur. However, this view has not been fully tested at law.

This IM is an Offer for Preference Units. Preference Units are income units which pay a coupon rate of income outlined in the Supplementary IM. Preference Units do not have a voting power under the trust deed. Unit Holders can inspect a copy of the Trust Deed at our head office or we will provide them with a copy free of charge, on written request. The Trustee may alter the Trust Deed if it reasonably consider the amendments will not adversely affect Unit Holders' rights. Otherwise (subject to any exemption under the law), the Trustee must obtain Unit Holder approval at a meeting of Unit Holders.

The Trustee may retire or be required to retire as Trustee on terms set out in the Trust Deed.

### Units

The beneficial interest in the Fund is divided into Units. A Unit confers on the Unit Holder an undivided beneficial interest in the assets of the Fund as a whole, subject to the liabilities of the Fund and not in parts or single assets. A Unit Holder holds a Unit subject to the rights, restrictions and obligations attaching to that particular class of Unit.

### Classes Of Units

The Trust Deed permits the Trustee to:

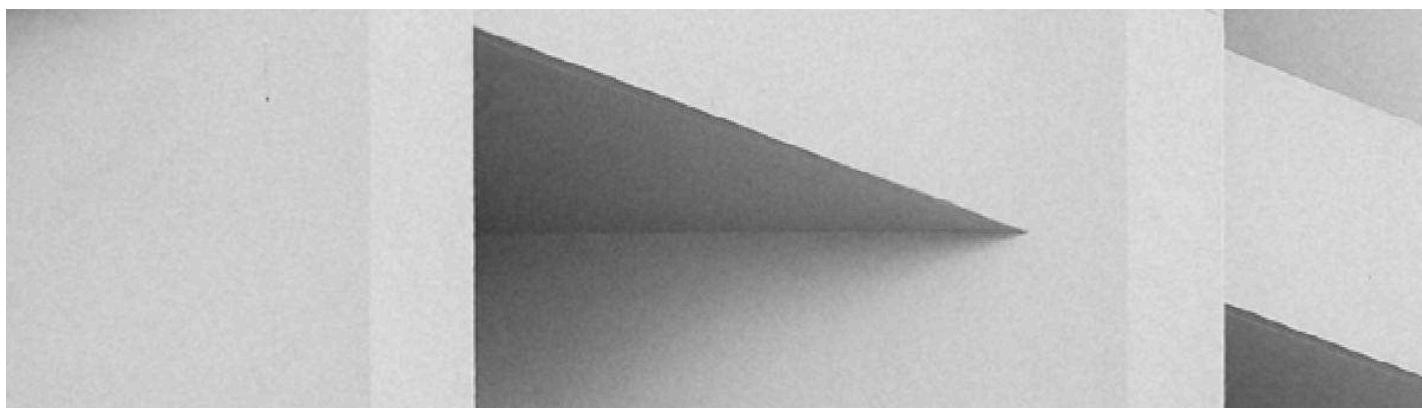
- Establish separate classes of Units;
- Establish additional classes of Units as required;
- Allocate a part or parts of the assets of the Fund to a particular class, or particular classes of Units;
- A class of Units may have interests and rights differing from each other class of Units.

### Liability of Unit Holders

Subject to any separate agreement of acknowledgment by a Unit Holder or any tax amount arising in connection with Unit Holder as set out in the Trust Deed, the liability of each Unit Holder is stated in the Trust Deed to be limited to the amount (if any) which remains unpaid in relation to the Unit Holder's subscription for their Units.

### Trustee's Powers and Duties

The Trustee has all the powers in respect of the Fund that may be conferred on a trustee under the law and as though the Trustee was the absolute owner of the assets of the Fund and acting in its personal capacity. This includes the power to borrow and raise money, and to grant securities, guarantees and indemnities.





#### Entitlement To Fees And Expenses

The Trustee is entitled to be paid the fees as provided for in the Trust Deed and to recover expenses from Fund assets that are incurred by it in performing its role in connection with the Fund, subject to the proper performance of its duties.

#### Trustee's Indemnity

The Trustee is indemnified out of the assets of the Fund and can be reimbursed for any liability incurred by it, in its own capacity or through a delegate, in relation to the proper performance of any of its duties or exercise of any of its powers in relation to the Fund.

#### Trustee's Liability

The Trustee will generally not be liable to Unit Holders except to the extent that the Corporations Act imposes such liability. The Trustee's liability is generally limited to the extent to which it is entitled to recover through its right of indemnity from the assets of the Fund.

## 10.3 Complaints Resolution

The Manager has a formal policy in place for dealing with complaints.

In the first instance, complaints should be in writing to Defender Credit Fund, PO Box 630, North Sydney NSW 2060. The Manager will acknowledge Unit Holder complaints immediately, and will investigate complaints and provide a final response to the complaint within 45 days of receipt of the complaint.

Phone: +61 2 8624 6130  
Email: [info@defenderam.com](mailto:info@defenderam.com)  
Mail: PO Box 630,  
North Sydney, NSW 2060

## 10.4 Anti-Money Laundering

The Manager is required to comply with the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) (AML/CTF Law). The Manager may require you to provide personal information and documentation in relation to your identity when you purchase Units in the Fund. The Manager may need to obtain additional information and documentation from you when undertaking transactions in relation to your investment. The Manager may need to identify and verify a Unit Holder (including all investor types noted on the Application Form) prior to purchasing Units in the Fund.

The Manager will not issue Units until all relevant information has been received and your identity has been satisfactorily verified;

- Your estate – if you die while you are the owner of Units in the Fund, the Manager may need to identify your legal personal representative prior to redeeming Units or transferring;
- Ownership - anyone acting on your behalf, including your power of attorney.

In some circumstances, the Manager may need to re-verify this information. By applying to invest in the Fund, you also acknowledge that the Manager may decide to delay or refuse any request or transaction, including by suspending the issue or redemption of Units in the Fund, if it is concerned that the request or transaction may breach any obligation of, or cause us to commit or participate in an offence under, any AML/CTF Law, and the Manager will incur no liability to you if it does so.



*Our client's  
objectives are our  
objectives.*

## 10.5 Privacy

The Application Form requires you to provide personal information.

The Manager and each Service Provider to the Manager or Fund may collect, hold and use your personal information in order to assess your application, service your needs as a Unit Holder, provide facilities and services to you, the Manager or the Fund and for other purposes permitted under the Privacy Act 1988 (Cth).

Tax and corporations law also require some of the information to be collected in connection with your application. If you do not provide the information requested, your application may not be able to be processed efficiently, or at all. Your information may also be disclosed to members of the Manager's Group, the Registry,

and the Administrator and to their affiliates, delegates, agents and Service Providers on the basis that they deal with such information in accordance with any agreement entered into with the Manager or the Manager's privacy policy. The Manager may need to disclose information about you to government entities and regulators as required by law.

Your information may also be used to inform you about investment opportunities or other matters that the Manager's Group thinks may be of interest to you. Contact the Manager using its contact details in the Corporate Directory if you do not want your personal information to be used for this purpose or to request a copy of your personal information held by the Manager (or the Registry).



## 10.6 Key Corporate Governance Policies

### Related Party Transactions and Conflict Of Interest

The Trustee may use the services of related parties in the management of the Fund (in addition to the Investment Manager) and pay fees for their services. All related party transactions are conducted on arm's length normal commercial terms and conditions.

From time to time, the Trustee and the Investment Manager, their related bodies corporate or their directors and employees may hold Units in the Fund. The Trustee may be subject to conflicts of interest when performing its duties in relation to the Fund. The Trustee has procedures in place to manage appropriately these conflicts of interest.

### Interest Of Director

As at the date of this IM, the Manager holds Units in the Fund. Entities associated with or related to the directors of the Manager additionally hold Units in the Fund.

### Remuneration Of Directors

The fees and expenses of the directors of the Trustee are paid by the Trustee in its own right and will not be reimbursed out of the assets of the Fund.

# 11.0 Glossary

A\$ Or \$	Australian dollars
Administrator	First Equity Tax Pty Ltd
AFSL	Australian Financial Services Licence
Alternate Investment	An alternative investment is a financial asset that does not fall into one of the conventional equity/income or cash categories.
Application Form	The application form to apply for Units in the Fund
ASIC	Australian Securities and Investments Commission
Accountants	First Equity Tax Pty Limited
Business Day	Any day that is not a Saturday, Sunday or public holiday in New South Wales, Australia
Class	Each Class of Units in the Fund. Note that the Fund offers Preference Units which are available to applicants under this IM. The Trustee creates and issues separate classes of Preference Units from time to time. The terms off offer for each Class differs in its coupon rate and other features which are outlined in the Supplementary Information Memorandum.
Corporations Act	Corporations Act 2001 (Cth)
Coupon Rate	The expected rate of return paid by a particular Preference Units set out in the respective Supplementary IM.
Defender Credit Fund	Defender Credit Fund Pty Ltd (ACN 672 347 250) as trustee for the Defender Credit Fund
Equities	Shares or other equity interests in a company.
Expenses	Has the meaning in section 6.2 under "Expenses".
Fund	The Defender Credit Fund.
IM	This Information Memorandum.
Investment Manager	Defender Asset Management Pty Ltd
Lender	An individual, public/private group, or a financial institution that makes funds available to a person or business with the expectation that the funds will be repaid in a set period with interest and or fees chargeable for the service.
Loan	Means a loan by the Fund to a borrower.

Loan Facility	Means credit provided by a loan agreement entered into with a borrower in relation to a Loan.
Manager	Defender Asset Management Pty Ltd.
Management Fee	The fee payable to the Manager for the management of the Fund.
Manager's Group	The Manager and each of its related bodies corporate, and each of their associates.
Manager Unit	Has the meaning in section 4.7.
Net Asset Value or NAV	The net asset value of the relevant class of the Fund, as appropriate, as determined under the Trust Deed. Refer also section 7.5.
Offer	The invitation to subscribe for Units set out in this IM.
Preference Unit	A Unit of a particular class with certain rights and benefits as outlined in the relevant Supplementary IM.
Redemption Valuation Date	Has the meaning set out in section 7.2.
Registry or Registrar	Automic Pty Ltd as a provider of registry services to the Fund, or other such registry service provider as determined by the Manager from time to time.
Service Providers	The entities named in section 4.6 as such and any additional or replacement service providers to the Fund from time to time.
SME	Small to medium enterprise
Supplementary IM	Means any supplementary Information Memorandum issued by the Investment Manager from time to time accompanying this IM in respect of offers of classes of Preference Units.
Trust Deed	Trust deed of the Fund dated 30 October 2023 (as amended).
Trustee	Means Defender Credit Fund Pty Ltd.
Unit Holder	A person entered on the register of the Fund as a holder of Units in one or more Classes.
Units	A beneficial interest in the Fund of any Class. A fully paid unit in the Fund.



# 12.0 Corporate Directory

## Manager (or Investment Manager)

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Defender Asset Management Pty Ltd

303/44 Miller Street, North Sydney  
NSW 2060

## Registry

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Vestra Corporate Pty Ltd

303/44 Miller Street, North Sydney  
NSW 2060

## Accountants

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First Equity Tax Pty Limited

304/44 Miller Street, North Sydney  
NSW 2060

## Administrator

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First Equity Tax Pty Limited

304/44 Miller Street, North Sydney  
NSW 2060

## Legal

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Brown Wright Stein Lawyers

Level 6/179 Elizabeth Street,  
Sydney NSW 2000

## Compliance

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FinServ Compliance Pty Ltd

PO Box 321, Ettalong Beach NSW  
2257

DEFENDER ASSET MANAGEMENT PTY LTD

303/44 Miller Street  
North Sydney NSW 2060

ACN 608 281 189  
Australian Financial Services Licence No.  
482722

CONTACT

02 8624 6130  
[info@defenderam.com](mailto:info@defenderam.com)



DEFENDER

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Defender Asset Management Pty Ltd  
303/44 Miller Street North Sydney  
NSW 2060  
02 8624 6130  
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ACN  
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Australian Financial Services Licence No.  
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