

Trilogy Enhanced Cash

ARSN 614 682 469

Responsible Entity: Trilogy Funds Management Limited ABN 59 080 383 679 AFSL 261425

Investment Manager: Trilogy Financing Pty Ltd ABN 16 615 429 386 (AR number: 1253178)

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CONTACT DETAILS

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This Information Booklet is issued by Trilogy Funds Management Limited ABN 59 080 383 679, AFSL 261425 in its capacity as responsible entity of the Trust ("Trilogy Funds", or "we"). The information in this document forms part of the Product Disclosure Statement dated 30 September 2017 (PDS) for the Trust and should be read in conjunction with the PDS.

We may update the document in accordance with Trilogy Enhanced Cash's constitution and the law. The updated document will be available at Trilogy Funds' website and you can also obtain a copy free of charge upon request. You should keep a copy of this document and any updates to it for your reference.

IMPORTANT STATEMENT *This Information Booklet is dated 30 September 2017 and is issued by Trilogy Funds in its capacity as responsible entity of the Trust. Information in this Information Booklet is current as at its issue date and may change from time to time. Where the changes are not materially adverse to investors, the information may be updated on the Trilogy Funds website at www.trilogyfunds.com.au. A paper copy of any updated information is available free of charge on request.*

This Information Booklet contains general information only. It does not take into account your individual objectives, financial situation or needs. You should take these and your personal circumstances into account when considering whether the information contained in the PDS and this Information Booklet is appropriate for you. You should also seek your own financial advice from a licensed Adviser tailored to your personal circumstances before investing.

You may request a free printed copy of this Information Booklet and any other document mentioned in or incorporated into the PDS by calling Trilogy Funds on 1800 230 099 (Australia) or +800 5510 1230 (New Zealand) during Australian business hours or by accessing the website www.trilogyfunds.com.au.

None of Trilogy Funds, the Investment Manager, or any of their related entities, directors or officers guarantees the repayment of capital, or any particular rate of return or the performance of the Trust. Some terms used in this Information Booklet have special meanings which are generally defined in the PDS or in this Information Booklet.

1.0 INVESTING AND WITHDRAWING

Important notice to indirect investors

Indirect investors are referred to as Platform Investors in this Information Booklet, meaning investors who have invested through an administration platform (such as an investor directed portfolio service (IDPS) or IDPS-like scheme, wrap account or master trust) and are therefore not direct investors of the Trust because they are members of the relevant administration platform.

As a Platform Investor, you are an indirect investor, meaning that you are not entitled to a direct interest in the Trust. Your rights and liabilities will be governed by the terms and conditions of the relevant IDPS offer document or master trust PDS, which you must read carefully together with the PDS prior to directing the relevant IDPS operator or master trust trustee to invest in the Trust.

This means Platform Investors do not acquire the rights of a unit holder in the Trust. Rather, it is the operator of the IDPS or trustee of the master trust (as the direct investor) that holds the registered interest in the Trust and therefore acquires the rights of the unit holder in the Trust.

Platform Investors may be subject to different conditions than those detailed in the PDS and this Information Booklet and should refer to their platform's offer document or PDS for applicable information, particularly in relation to:

- how to transact on your investment and what minimums apply;
- cooling-off provisions (i.e., cooling-off rights do not apply to any investments in the Trust acquired through an IDPS or master trust);
- timing of distributions, withdrawals, cut-off times and the processing of transactions;
- Trust reporting and other documentation (reports on your investment will be distributed by the operator of the IDPS or trustee of the master trust); and
- fees and other costs (additional fees and expenses may be charged by the IDPS or master trust).

Unless otherwise indicated, the remainder of the information in this section applies to direct investors only.

Applications

Before applying to invest in the Trust you should read the PDS and this Information Booklet in full. You should pay particular attention to the risks set out in section 4 of the PDS and section 8 of this document and other information concerning units in the Trust, the Trust and its assets, and you should seek personal advice on your circumstances, financial objectives and needs from a licensed Adviser.

An application for units in the Trust may be made at any time the Trust is open for investment by submitting a completed application form accompanied by your payment. You will need to select the form based on the investor type that applies to your investment. There are four forms to choose from:

- Individual / joint investors
- Superannuation funds / trusts
- Companies
- Existing Trilogy Funds investors

Further information as to how to complete the application form and the other information and documents that you must provide is in section 10 of this Information Booklet and on the application form itself.

Application money

If you indicate on your application form that you wish to make an investment in the Trust by BPAY, then please contact us for a unique investor ID number by calling Investor Relations on 1800 230 099 (New Zealand +800 5510 1230) or by email investorrelations@trilogyfunds.com.au. See further details on the application forms.

You may also use a cheque payable to: The Trust Company Limited ACF - TEC. Please note that your cheque must be in Australian currency drawn on an Australian bank and marked 'Not Negotiable'. Sufficient cleared funds should be held in your account, as cheques returned unpaid may result in your application being rejected.

Alternatively, application money can be provided by Electronic Funds Transfer (EFT) to the following account:

Account name: Trilogy Enhanced Cash

BSB: 124-028

Account number: 22 562 917

Reference: Your surname, or, if you are an existing Trilogy Funds investor, your investor ID.

Please note: if you wish to make additional regular investments, you can set up an automatic deposit into the Trust using the same BSB, account number, account name and reference as listed above via a recurring payment by arranging this with your Australian bank, building society or credit union account.

Completed application forms, together with your supporting documentation (and cheque if applicable), should be lodged with our Investor Relations team as detailed on the form, by hard copy in the post or scanned copy by email.

We reserve the right not to accept (wholly or in part) any application for any reason or without reason. If we refuse to accept an application, any funds received from you will be returned to you without interest.

Additional investments and withdrawals

While the Trust is liquid and open for investment:

- additional investments can be made at any time by providing your request in writing to Trilogy Funds (to the address above); and
- you may withdraw all or part of your investment in the Trust at any time by completing a Withdrawal form or submitting your request in writing to Trilogy Funds.

A request for an additional investment or withdrawal can be made using the forms available on the website and should include the following:

- Your investor ID number.
- Your name and contact details (as registered investor(s) in the Trust).
- The name of the Trust.
- The amount (in units or dollars) to be withdrawn or invested.
- Your payment instructions.

Withdrawal requests can be canceled at any time before we have accepted them by notifying us by email or fax.

Withdrawal proceeds that are paid directly into your nominated account are subject to clearance by your bank, building society or credit union from the date of deposit into your account.

We will confirm all withdrawals in writing. For your protection, withdrawals will only be paid into a nominated Australian bank, building society or credit union. Withdrawals will not be paid in cash and, in the case of direct deposits, will, at Trilogy Funds' discretion, be paid back into the account from which it was debited.

Minimum balance requirement

Please note that we require you to maintain a minimum balance of units. Currently the minimum number of units for each unitholder is 1,000 but we reserve the right to change or waive this minimum balance requirement at any time at our discretion.

If any withdrawal request will result in your holding falling below the current minimum balance, then we may treat your request as a redemption of all your units without the need for a further request from you. Additionally, if there is a compulsory redemption that results in your holding falling below the minimum balance, then we may treat your request as a redemption of all your remaining units without the need for a further request from you (see further details below about the circumstances in which units may be redeemed at a nil unit value and cancelled).

Fax and email instructions

We currently accept various instructions, including withdrawal requests, by fax or scanned attachment to email, provided we have no reason to believe that the request is not genuine and it follows all the guidelines outlined under the Additional investments and withdrawals section above.

Please be aware that fraudulent or unauthorised fax instructions or requests can be made by persons who have access to your name, investor ID number and a copy of your signature. Accordingly, you agree to accept full responsibility and release and indemnify Trilogy Funds and its related body corporates and the Custodian, against all claims and demands for any loss arising as a result of Trilogy Funds acting upon a faxed or emailed request/instruction which appears to bear your signature(s).

Transfers

With Trilogy Funds' consent, you may transfer units in the Trust to another person by providing us with a signed and completed standard transfer form (with duty paid, if applicable) and any other required documents.

A transfer of units will generally be a disposal of units for tax purposes, which may have tax implications (see section 7 of this Information Booklet on page 7 for more details).

Instructions and Changes

Please complete a Change of Details form to advise us of any changes to your name, address/ contact details, bank account, or to provide any other instruction. A copy of the

form is available free of charge on Trilogy Funds' website www.trilogyfunds.com.au/forms, or by contacting us at investorrelations@trilogyfunds.com.au or 1800 230 099.

Suspension of applications and withdrawals and compulsory redemption of units

As explained in the PDS, the Investment Manager aims to maintain a unit value of \$1.00 per unit for applications and withdrawals. The net asset value of the Trust at any time is derived from the value of the cash related investments and the investments in other trusts, plus the income that is received or accumulated less the expenses and distributions that are payable from the Trust. The unit value is determined by dividing the net asset value of the assets of the Trust by the total number of units on issue at the relevant time. The net asset value per unit (referred to as the 'unit value') must be determined as at the end of each month by Trilogy Funds applying its valuation methods and policies to the assets of the Trust.

The constitution of the Trust allows for appropriate adjustments to be made to the distribution of income or gains to the investors of the Trust that are sourced from income and gains made from the underlying assets of the Trust, in order to ensure that a unit value of \$1.00 per unit is maintained at the end of each month for the units in the Trust.

If, in any month, after making any adjustments to the distribution of income or gains to the investors of the Trust, there is insufficient income to meet expenses or to compensate for any reduction in the value of the assets of the Trust, the unit value (or the net asset backing of a unit) may be less than \$1.00 per unit. In such a case the constitution provides a mechanism under which the following may occur, depending on the unit value:

- If the unit value is less than \$1.00 per unit but equal to or more than 99.5 cents, then applications and redemptions may be suspended until income received or accrued brings the net asset value back up to \$1.00.
- If the unit value is between 98 cents and 99.5 cents per unit then:
 - applications and redemptions may be suspended until income received or accrued brings the net asset value back up to \$1.00 per unit;
 - if six months passes without the net asset value returning to \$1.00, then the compulsory redemption provisions of the constitution will apply; or
 - the Investment Manager implements the compulsory redemption mechanism allowed in the Trust's constitution (see below).
- If the net asset value of each unit is less than 98 cents as at the end of a month, Trilogy must suspend applications and redemptions until it has compulsorily redeemed units.

Trilogy Funds has the ability to change the amounts listed above in the constitution in its discretion, but only if it is acting in the interests of unitholders, if at least 30 days' notice is provided to unitholders and also if the unit value of a unit is not less than \$1.00 at the time that the notice is provided.

Importantly, the ability of Trilogy Funds to invoke the compulsory redemption mechanism means that the total number of units that you hold can be reduced and cancelled without your instruction. The purpose is for a sufficient number of units to be compulsorily redeemed to make up the shortfall between the unit value and \$1.00, in order to restore the value of the remaining units to \$1.00 per unit.

In a compulsory redemption, units will be redeemed pro rata from all unit holders. For example, if the Trust had negative income in a particular month that reduced the unit value to 98 cents, after making any adjustments to the distribution of income or gains to the investors of the Trust, then 2% of the units on issue would be redeemed at a nil unit value and cancelled. This would leave the remaining 98% of units on issue re-valued at \$1.00 per unit.

The Trust was established in November 2016 and, as at the date of the PDS and this Information Booklet, no units have been compulsorily redeemed under this mechanism during the term of the Trust. However, investors must be aware that past events are not indicative of future events and there is no guarantee that compulsory redemption may not be required at some future time.

Delay in withdrawals and frozen funds

The Trust is operated on the basis that it is 'liquid', meaning there is a reasonable expectation that at all times at least 80% of the Trust's assets will be able to be realised for their market value within 10 days. Like the Trust, the underlying funds the Trust invests in are operated as liquid funds with redemptions available in a short period of time. However, it is possible that the underlying investments have assets that can be 'illiquid' in some circumstances, resulting in delays, or at worst, funds may become frozen. Additionally, there could be high volumes of withdrawal requests, which lead to the underlying funds or the Trust delaying or freezing the processing of withdrawal requests and impacting your ability to access your money via withdrawal.

In addition, withdrawals may also be suspended by Trilogy Funds from the end of a month in which there has been a loss as explained above.

2.0 DISTRIBUTIONS

The distribution frequency and effective dates for distributions from the Trust are shown in section 2 of the PDS. Please refer to section 7 of the PDS and section 7 of this Information Booklet for further information concerning taxation issues in the context of an investment in the Trust.

Distribution payments

Income distributions are generally paid to investors 10 business days after the end of the month. Payments will be made by automatic reinvestment into the Trust as additional units on the date the distribution is made. Units will be issued at the amount of \$1.00 each unit.

All distributions will be automatically reinvested in the Trust as additional unit holdings unless you notify Trilogy Funds via the Application Form available on our website at www.trilogyfunds.com.au/enhancedcash (or, after you become an investor using the Change of Details form).

We must receive notification of the change before the end of the month for it to operate for that month's distribution.

You will be sent a monthly statement detailing your income distributions and how it was paid to you.

How the assets of the Trust are held

Trilogy Funds has appointed the Custodian to hold the Trust's assets. The role of the Custodian is limited to holding assets of the Trust and it has no supervisory role in relation to the operation of the Trust. The Custodian does not make investment decisions in respect of the assets held or manage those assets, and has no liability or responsibility to investors in the Trust. Trilogy Funds may change the appointed custodian from time to time, without notice to you.

3.0 HOW WE KEEP YOU INFORMED

Welcome letter A communication will be sent to you after receipt and acceptance of your initial application specifying the number of units you have been issued.

Withdrawal letters A communication will be sent to you each time a transaction occurs on your account, including when units are redeemed.

Monthly distribution statement You will receive a monthly statement which details the amount of distribution received, the number of units you hold, as well as the yield on your investment.

Annual tax distribution statement Annual tax distribution statements will be provided following the end of the financial year (usually within 2 months). The annual tax distribution statement will contain all tax components of your investment during the year, which will enable investors to complete their income tax returns.

Annual financial report Annual financial reports can be downloaded from the Trilogy Funds website. The reports are generally available in October for the previous financial year.

Easy access to updated product information Information in the PDS and in this Information Booklet is subject to change from time to time. For the most up to date information about the Trust, visit the Trilogy Funds website at www.trilogyfunds.com.au/enhancedcash. Alternatively you can contact Trilogy Funds' Investor Relations team on 1800 230 099 (Australia) or +800 5510 1230 (New Zealand) or via email at investorrelations@trilogyfunds.com.au.

Continuous disclosure

As at the date of the PDS and this Information Booklet, the Trust is not a disclosing entity. However, it may become one in the future and when it does, Trilogy Funds will be required to lodge half-yearly and annual financial reports of the Trust with ASIC as well as notice of important events as they happen. This information is likely to be:

- information that investors and their Advisers reasonably require to make an informed investment decision; and
- information that might reasonably be expected to have a material influence on the investment decision of a reasonable person, as a retail client.

All of this information will be able to be inspected at Trilogy

Funds' registered office or obtained from ASIC. Trilogy Funds intends to follow ASIC good practice guidance by electing to update investors by posting continuous disclosure notices on its website www.trilogyfunds.com.au.

4.0 YOUR PRIVACY

Trilogy Funds is committed to protecting the privacy of its investors. Trilogy Funds is bound by the Privacy Act 1998 as amended from time to time (Privacy Act) and the principles and procedures to be adopted under that legislation. The Privacy Act regulates, among other things, the collection, storage and security, quality, management, correction, use and disclosure of and access to personal information. By applying to invest in the Trust, the applicant consents to personal information being used by Trilogy Funds for the purposes for which it was provided and for other purposes permitted under the Privacy Act and as set out below.

The application forms accompanying the PDS require investors to provide personal information. Trilogy Funds, and any service providers to Trilogy Funds or to the Trust (including the Investment Manager, the provider of registry services and the Custodian) may collect, hold and use your personal information in order to assess your application, service your needs as an investor, provide facilities and services to you, to the Responsible Entity and to the Trust and for other purposes permitted under the Privacy Act and other legislation, such as the anti-money laundering and counter terrorism financing (AML/CTF) laws. Taxation, corporate, AML/CTF and other laws also require some of the information to be collected in connection with your application. If you do not provide the information requested or provide us with incomplete or inaccurate information, your application may not be able to be processed efficiently, or at all.

Trilogy Funds may disclose your information (or parts of it) to government agencies who may lawfully request it, but only when it is required by law to do so. Information may also be disclosed to external parties on your behalf, such as your Financial Adviser (if the Adviser's name appears on the application form), unless you have instructed Trilogy Funds in writing to do otherwise. Trilogy Funds may also disclose your personal information to its service providers (mailing houses, lawyers and others) to enable the printing, distribution and administration of documents relevant to your investment.

Your personal information may also be used by Trilogy Funds to administer, monitor and evaluate products and services, gather, aggregate and report statistical information, assist you with any queries and take measures to detect and prevent fraud and other illegal activity. It may also be allowed or obliged to disclose information by law and to report on risk management matters.

You are entitled to access, correct and update all personal information which Trilogy Funds holds about you. The information held may be obtained by contacting Trilogy Funds. You should contact us if you have concerns about the completeness or accuracy of the information we have about you or if you would like to access or amend your personal information held by us or Trilogy Funds' service providers. Please advise Trilogy Funds of any changes to information

you have provided to us using the Change of Details form as provided on Trilogy Funds' website www.trilogyfunds.com.au. Any complaint you have as to how we have handled your personal information will be dealt with in accordance with Trilogy Funds' Privacy Policy.

A copy of Trilogy Funds' current Privacy Policy is available on Trilogy Funds' website and a paper copy will be sent to you free of charge on request. Changes will be made to Trilogy Funds' Privacy Policy from time to time to reflect changes in the law, including the Privacy Act. If you have any questions relating to Trilogy Funds' Privacy Policy please contact us by email, facsimile or telephone during normal business hours. Our contact details are set out in the PDS and in this Information Booklet.

5.0 ANTI-MONEY LAUNDERING/ COUNTER-TERRORISM FINANCING LAWS

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Law), we require you to provide personal information and documentation on your identity and that of any beneficial owners. Identification requirements are set out in the relevant application form, which is publically available on the website, or available free of charge from Trilogy Funds upon request.

Under the AML/CTF Law we are required to:

- Verify your identity before providing services to you; and
- Collect information about your circumstances, including the source of funds being invested (individual investors and your beneficial owners [non-individual investors]).

Where you supply documentation relating to your identity, we will keep a record of this documentation for seven years after the end of your relationship with Trilogy Funds.

As a result, transactions may be delayed or refused where we require further information regarding your identity or we have reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country. Where transactions are delayed or refused, we are not liable for any loss you suffer (including consequential loss) as a result of Trilogy Funds' compliance with the AML/CTF Law.

Where required by law, we may disclose your information to the regulator or law enforcement agencies. We are not liable for any loss you may suffer as a result of Trilogy Funds' compliance with Trilogy Funds' legal obligations.

6.0 FEES AND COSTS

The following table and other information in this section provides further details about the fees and costs that you may be charged for investing in the Trust and should be read in conjunction with the PDS. You should read all information about fees and costs because it is important to understand their impact on your investment.

Unless otherwise stated, all fees and other costs disclosed in this document are inclusive of GST less any reduced input tax credits (RITCs). Where fees have been quoted to two decimal places, the actual fee may have been rounded.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the managed investment product		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Management costs		
The Responsible Entity's management fee for managing your investment ¹ PLUS	0.35% p.a. of the funds under management of the Trust ²	The management fee is calculated and accrued daily and paid to Trilogy Funds monthly. The management fee is deducted directly from the Trust's assets. Trilogy Funds reserves the right to waive or defer part or all of the management fee.
Other direct and indirect management costs ³ EQUALS	0.46% p.a. of the forecast average funds under management of the Trust for the financial year ended 30 June 2018 ⁴	Indirect costs represent the amount by which the investments in the underlying 'interposed entities' are reduced by the costs associated with those investments. They are not an additional cost to investors.
Total management costs (ICR)	0.81% p.a. of the forecast average funds under management of the Trust for the financial year ended 30 June 2018 ⁴	This is the current indirect cost ratio (ICR) of the Trust. As the Trust has not been operating for a full financial year, this figure is a forecast ICR based on a combination of actual performance data for the Trust's underlying investments during the financial year ended 30 June 2017, and adopts a number of assumptions for the financial year ended 30 June 2018.
Switching fees		
Switching fee The fee for changing distribution options	Not applicable	Not applicable
<p>¹ See section entitled "Constitution and fee changes" on page 7 for details of the maximum fee amounts allowed under the Trust's Constitution.</p> <p>² The management fee component of the management costs may be negotiated by wholesale investors. See section entitled "Differential fees" on page 7 for details.</p> <p>³ There are currently no direct costs charged to the Trust (except abnormal costs) as the Responsible Entity pays these from its management fee. Indirect costs are detailed further below; see section entitled 'Management Costs' for details. Abnormal costs may be charged from time to time but these amounts cannot be estimated; see section 'Abnormal operating expenses' on page 7 for further details.</p> <p>⁴ The ICR, or indirect cost ratio, includes the Responsible Entity's management fee and the forecast indirect costs incurred in respect of the Trust's underlying investments. See 'Management Costs' below for further details.</p>		

ADDITIONAL EXPLANATION OF FEES AND COSTS

Management costs

Trilogy Funds receives a management fee of 0.35%p.a. (inclusive of GST and less RITCs) on the gross asset value of the Trust for managing your investments in the Trust, calculated daily and paid monthly. Trilogy Funds pays the Investment Manager from its own funds, including the management fees that it receives.

In addition, the Trust has certain indirect costs which it is required to disclose to you. Under the Corporations Act, 'indirect costs' are defined to include amounts that reduce the amount or value of income attributable to an investor's investment, including where the investment is further invested through interposed vehicles. 'Interposed vehicles' for the Trust, include the means by which the benefit of the investment is maintained, such as the Trust's investments in other managed investment schemes and term deposits. As the Trust has operated for less than twelve months, Trilogy Funds has calculated a forecast indirect cost figure it deems applicable to the Trust's investment in the relevant interposed vehicles. The forecast figure has been calculated based on a combination of actual historical performance data for the underlying investments during the last financial year and a number of assumptions with regards to Trust's expected value of funds under management and investment allocation proportions for the underlying investments.

Differential fees

We may negotiate a rebate of all or part of Trilogy Funds' management fee with wholesale clients (as defined by the Corporations Act) on an individual basis. The payment and terms of rebates are negotiated with wholesale clients but are ultimately at Trilogy Funds' discretion, subject to the Corporations Act, the ASIC relief relating to differential fees and ASIC policy.

Normal operating expenses

Normal operating expenses are those incurred in the day-to-day operation of the Trust. Trilogy Funds currently chooses to pay normal operating expenses out of its own resources. Investors should be aware that if the Responsible Entity is unable to or refuses to meet any of the normal operating expenses, the amounts due to any person (other than the Responsible Entity) may still be payable out of the assets of the Trust.

Abnormal operating expenses

We can also be reimbursed from the Trust for abnormal operating expenses incurred in performing Trilogy Funds' duties and obligations in administering the Trust. These abnormal operating expenses are not generally incurred during the day-to-day operation of the Trust and are not necessarily incurred in any given year; they are due to abnormal events like the cost of running an investor meeting, or legal costs incurred by changes to the Trust's constitution.

Any abnormal operating expenses are not paid out of Trilogy Funds' management fee and, if incurred, are in addition to the 0.35%p.a. fee described above.

Inter-fund or related fund investments

The Trust invests in other Trilogy Funds including the related fund, Trilogy Monthly Income Trust (TMIT) of which Trilogy Funds is also responsible entity. Trilogy Funds earns management fees in respect of the Trust's investment in TMIT but rebates part of this fee to the Trust.

The Trust also invests in other unrelated managed funds which have their own fees and other costs. Generally these amounts are factored into the unit price that is paid by the Trust to invest in those funds. As set out above, to the extent these amounts are indirect costs, these are included in the indirect cost ratio and fee examples in this Information Booklet and the PDS.

Adviser service fees

Trilogy Funds does not pay Advisers and other intermediaries product commissions. However, you may request Trilogy Funds to arrange a payment on your behalf to your Adviser or their dealer group in connection with the advice they provide to you about an investment in the Trust. This Adviser service fee is negotiated by you with your Adviser and you may direct Trilogy Funds to pay this fee as:

- an upfront one off fee; or
- as an ongoing fee from distributions associated with your investment in the Trust.

Please note that this ongoing fee is payable by you, not Trilogy Funds, and will have an impact on the amount of your monthly distribution. Please contact Trilogy Funds to request the relevant form to make the direction.

Constitution and fee changes

As at the date of the PDS and this Information Booklet, no contribution, withdrawal, exit or switching fees apply.

The Constitution governing this Trust allows for the following fees to be charged subject to the Corporations Act:

- A maximum management fee of up to 3.00% p.a. of the aggregate value of all units on issue in the Trust at the relevant time.
- Certain other fees if the Trust were to invest directly into mortgage investments (which is not contemplated at the date of the PDS or this Information Booklet).

The Constitution allows the Trust to accept lower fees than that to which it is entitled.

The Constitution also allows Trilogy Funds to be reimbursed for certain ongoing expenses incurred in the operation of the Trust. Reimbursements of ongoing expenses are not management or other fees.

Trilogy Funds has the right to increase fees or start charging fees not currently charged up to the maximum limits set out in the Constitution without your consent. Trilogy Funds will give investors not less than 30 days' written notice of any proposed fee increase or otherwise notify as the law requires.

7.0 TAXATION

Investing in a registered managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice.

Investments in managed funds, such as the Trust, have taxation implications which can be quite complex and depend on a number of factors, including whether you are a resident or non-resident of Australia for taxation purposes and whether you hold the units as a long-term investment or for short-term trading purposes.

The tax comments below are only in respect of Australian tax and are based on the current law in Australia as at the date of this Information Booklet.

The taxation information provided below is of a general nature and only relevant for investors that hold their interests in the Trust on capital account.

The Trust

The Trust may derive assessable income as a result of its investment activities. The assessable income of the Trust may include interest income and revenue gains from financial arrangements.

Generally, the Trust will make a full distribution of all trust income to unit holders each financial year to ensure that the Trust itself or the trustee will not be subject to Australian income tax. Appropriate adjustments may be made to the distribution of trust income to ensure that a unit value of \$1.00 per unit is maintained for all units in the Trust at the end of each month. These adjustments should not result in the Trust itself or the Trustee being subject to any Australian income tax.

Resident individual investors

We will provide you with an annual tax distribution statement after 30 June each year. The annual tax distribution statement will detail the taxable and non-taxable components of distributions from the Trust to which you are presently entitled for each 12-month period to 30 June.

Your share of the taxable components of these distributions should be included in your assessable income for the year to which it relates, even though you may have reinvested the distribution in additional units or did not receive a cash distribution from the Trust.

For example:

- Interest Income - your share of the taxable components of the distribution may include interest income derived by the Trust from its underlying investment assets.
- Other gains - the gain on disposal of certain assets held by the Trust may be assessable income under the Taxation of Financial Arrangements rules.
- Non-taxable amounts - the Trust may make distributions of amounts which are not immediately assessable. However, the receipt of certain non-assessable amounts (for example, tax deferred income) from the Trust may have the consequence of reducing the cost base of your units in the Trust for capital gains tax purposes.

Capital Gains

The disposal, cancellation or redemption of any unit in the Trust may give rise to a capital gain or capital loss that is included in the net capital gain calculation of that investor for the relevant period. Australian income tax should be payable on any net capital gain that is made for a period. A capital gain would be made where the capital proceeds from the disposal, cancellation or redemption exceed the cost base of the relevant unit. Certain investors, including individuals, trusts and superannuation funds, should be entitled to a discount on any capital gain made on units that were held for a period of at least 12 months. A capital loss would be made from the disposal, cancellation or redemption where the reduced cost base is greater than the capital proceeds from the disposal or withdrawal.

Attribution Managed Investment Trust regime

A new regime governing the income tax outcomes for trusts that qualify as Attribution Managed Investment Trusts (AMITs), and the investors that invest in these AMITs, has recently been enacted.

The AMIT regime will apply to you as an investor in the Trust for a particular income year if the Trust satisfies the requirements to qualify as an AMIT for that year, and the Responsible Entity of the Trust makes an election to apply the regime.

As at the date of this Information Booklet, Trilogy Funds has made no election for the AMIT regime to apply and accordingly, the information in this Booklet has been prepared on the basis of the existing tax rules. The tax position of the Trust and investors will change if the AMIT regime begins to apply to the Trust. Trilogy Funds is considering the operation of the AMIT regime and its implications for the Trust and will advise investors if the AMIT regime is to apply to the Fund. Once the qualification requirements are satisfied in respect of the Trust then the AMIT rules will apply to determine the income tax outcomes for the Trust and in respect of your investment in the Trust, for that year.

If the AMIT regime applies to the Trust for an income year, then the following applies:

- The net (tax) income of the Trust for an income year will be attributed to you as a unit holder in the Trust on a "fair and reasonable" basis. For the Trust, this attribution will be based on your entitlement to the Trust's income and/or capital each year, as defined in the Trust's Constitution and this PDS.
- The amounts attributed to you from the Trust each year will be disclosed in an AMIT Member Annual Statement ("AMMA Statement"). This statement will be provided to you no later than three months after the end of the relevant income year.
- The amounts attributed to you from the Trust as disclosed in the AMMA Statement should be taken into account in your taxable income calculation for the relevant year of income.
- The amounts attributed to you from the Trust should retain the character they had in the Trust for income tax purposes. This should provide for greater certainty of

tax outcomes for unit holders.

- You and the Trust can rely on specific legislative provisions that allow for an adjustment or error in calculating the net (tax) income of the Trust for an income year to be carried forward and dealt with in the year that the adjustment or error is discovered (unless the adjustment or error is from a reckless or intentional disregard of the law);
- You will be subject to a new tax cost base adjustment mechanism, which may result in increases or decreases to the tax cost base of your units in the Trust, where there is a difference between the amount distributed by the Trust and the taxable amounts attributed to you for an income year. Details of these tax cost base adjustments will be shown in the AMMA Statement.
- Australian withholding tax, if applicable, will be levied on the amounts attributed to a non-resident from the Trust, which may be different to the cash that is actually distributed by the trust for the year.
- An amount of net (tax) income may be attributed to you by the Trust at the time of any redemption or cancellation of units in the Trust. This will be based on your entitlement to the Trust's income for the period up to the redemption or cancellation of units in the Trust.

As stated above, if the AMIT regime is not applicable to the Trust for a particular income year (because the qualification requirements for that year were not satisfied), then the existing income tax law provisions will be applicable to govern the taxation of the net (tax) income of the Trust for that year.

It is recommended that you obtain independent tax advice on the application of the AMIT regime to you in respect of your investment as an investor in the Trust.

Non-resident individual unit holders

If you are a non-resident unit holder, it is important you seek independent professional taxation advice before investing, taking into account your particular circumstances and the provisions of the relevant Double Tax Agreement between Australia and your country of residence. The Trust may be required to withhold tax on part or all of the distributions made to non-resident unit holders.

GST

Neither applications to, nor withdrawals from the Trust will be subject to goods and services tax (GST). Certain expenses incurred by the Trust may be subject to GST at the prevailing rate (currently 10 per cent). The Trust may be able to claim a reduced input tax credit in relation to some or all of those expenses. Unless otherwise stated, the fees quoted in the PDS and this Information Booklet take into account the expected net impact of GST less reduced input tax credits.

Tax file numbers and Australian business numbers

You are not required to quote your tax file number (TFN) or, if you have one, an Australian business number (ABN) or claim an exemption from providing a TFN. However, if a TFN or ABN is not provided or an exemption is not claimed, Trilogy Funds is required by law to deduct tax from the taxable component of any distributions at the top marginal

tax rate plus the Medicare Levy and the budget repair levy. If you are making this investment on behalf of a business or enterprise you carry on, you may quote your ABN instead of a TFN.

FATCA AND CRS

The Trust is a "Reporting Financial Institution" under the intergovernmental agreement (IGA) between the Australian and US governments in relation to the *Foreign Account Tax Compliance Act (FATCA)*, a United States tax law which imposes certain due diligence and reporting obligations on foreign (non-US) financial institutions and other financial intermediaries, including the Trust, to prevent tax evasion by US citizens and US tax residents through the use of non-US domiciled investments or accounts.

The Trust is also a Reporting Financial Institution under the *Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill 2015* which implemented the OECD Common Reporting Standard in Australia, requiring Reporting Financial Institutions in Australia to report to the ATO details of their foreign investors from participating jurisdictions commencing from 1 July 2017.

To comply with the above, Trilogy Funds is required to conduct due diligence on prospective investors in the Trust and will require certain information and documentation at the time of your application for units. We will report information in respect of certain unit holders and their unit holdings in the Fund to the Australian Taxation Office (ATO). Broadly, we will report to the ATO information in respect of unit holders who are:

- U.S. citizens or residents;
- certain types of U.S. entities;
- certain types of non-U.S. entities controlled by one or more U.S. citizens or residents (pursuant to the IGA);
- foreign resident individuals, certain types of foreign resident entities; and
- certain types of Australian entities that are controlled by one or more foreign residents (pursuant to the CRS).

If you are a new investor and you do not provide us with the required information and/or documentation on request, then we may not issue units to you. Alternatively, we may report information in respect of you and your unit holding in the Trust to the ATO, or any distributions made to you on your unit holding in the Trust.

The ATO will share information reported to it by Australian financial institutions with the U.S. Internal Revenue Service for FATCA purposes, or tax authorities of jurisdictions that have signed the CRS Competent Authority Agreement.

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

8.0 RISKS ASSOCIATED WITH MORTGAGE INVESTMENTS

Section 4 of the PDS describes a number of risks associated with an investment in the Trust. These should be considered by investors before making an investment decision. In describing the credit risk associated with investing in a mortgage scheme investors were referred to this section of the Information Booklet that describes risks that are

generally associated with mortgages as an asset class. A reference in the following material in this section to Trilogy Funds is a reference to it in its capacity as responsible entity of the Trilogy Monthly Income Trust (TMIT).

Property market risk

Property market risk is the risk that negative movements in the property market may impact on TMIT and its capacity to fully recover the amount owing on a mortgage. Trilogy Funds manages this risk by strictly complying with its lending guidelines, loan-to-valuation (LVR) policies, compliance program, and collections procedures. It is Trilogy Funds' current policy not to exceed a LVR of 70% for any one new loan. However in the event of a default, the LVR of 70% may be exceeded and further monies may be required to be advanced (for example, to complete a development or to market a property for sale). Mortgage investments made by TMIT are reviewed on an ongoing basis with updated valuations obtained in accordance with the valuation policy. Investors may find a copy of the valuation policy on the website at www.trilogyfunds.com.au/tmit.

Decrease in value of property

Risks associated with a decrease in the value of a property offered as security in TMIT, may include:

- investors may be charged negative income and may suffer a capital loss;
- a valuation that does not accurately reflect the real value of the property at the time it was valued. If the borrower subsequently defaults on the loan then the capital repaid to investors may be diminished;
- a fall in the value of the property during the term of the loan made by TMIT which may diminish capital repaid to investors in the event that a borrower defaults; and
- a movement in the property market either nationally or locally which results in a decrease in demand for a proposed development, making it difficult for the borrower to achieve the expected sale value of the property.

All the above may lead to an increase in the LVR.

Diversification risk

Property market risk may also arise where size of loan, number of borrowers, class of borrower activity or geographical region diversification is not high. The more diversified a loan portfolio is, the lower the risk generally that an adverse event affecting one borrower or one type of loan will simultaneously affect the majority of borrowers, and therefore put the overall portfolio at risk.

Construction risks

In a construction and development loan, the appointed contractors and trades may fail to complete the project for various reasons including that they may have become insolvent.

In this case the borrower will have to source other contractors or trades to complete works which may result in an increase in costs of the project. Delays incurred by the building contractors and trades or increases in materials and/or labour costs or abnormal weather events, can increase costs beyond the contingency amount normally allowed to meet these factors in a construction agreement. In this case,

the borrower may not have adequate funds to complete the project works.

'As if complete' valuation risk

In some construction and development loans, TMIT may lend on a loan to a LVR of up to 70% of the value of the development as if it is completed. For example, a property may be valued by an independent valuer at \$150,000 on an 'as is' basis. However, the valuer may prospectively value the completed development at \$400,000 with a cost to complete of \$200,000. In such circumstances, TMIT may approve a loan of up to \$280,000 (70% of \$400,000) to assist in the purchase and development of the property. In these circumstances, TMIT will make progress payments to enable the development to be completed.

Risks in this type of lending include the risk that:

- the property will decline in value during the development period;
- the cost of the development will be greater than budgeted;
- delays in the development may add to interest and other costs;
- there may be insufficient materials or expertise available to complete the development; or
- there may be insufficient funds to complete the development.

Interest capitalisation risk

Loans made from TMIT may require the interest to be paid periodically during the term of the loan or in the case of a construction and development loan a provision for interest may be built into the facility within the approved LVR. As a risk management measure, this provision for interest is generally built into the loan facility along with the contingency. This enables Trilogy Funds to control the interest payments and assists to ensure that they are within the approved LVR limit.

There is a risk that interest payments may not be recoverable because of:

- changed circumstances of the borrower;
- changed circumstances of the security property; or
- other economic conditions.

Where this occurs there may be insufficient cash flow in TMIT to meet income distributions or withdrawal requests.

Borrower default risk

Defaults by a borrower may occur for a wide range of reasons including changes in:

- a borrower's circumstances;
- the general state of the economy in Australia or other places in which the borrower does business;
- conditions of the particular market in which the borrower's primary business operates; or
- property market conditions.

Default may result in the delay/non-repayment of the loan amount by the borrower and its failure to meet interest (where it is not capitalised) and fees from its own resources.

Illiquid nature of underlying asset

As the underlying asset of a mortgage fund is predominantly real property, which is relatively illiquid, delays could occur between a loan going into default and sale of the property. These delays could affect interest accruing, but not paid. In these circumstances, interest accruing would not be available for distribution to investors and the amount owing plus accrued interest and costs may exceed the amount realised from the sale of the property.

Repayment delays

Repayment of loans may be delayed beyond the agreed maturity date. This can occur for a wide variety of reasons including the risk that construction or development does not proceed on schedule.

Litigation risk

This is the risk that any lender faces when it takes legal action to enforce the mortgage by the sale of the security property. Borrowers may defend the enforcement proceedings successfully in whole or in part, in light of judicial interpretation of the borrowing and enforcement arrangements, which may vary over time. In addition, courts are vested with wide discretionary powers, and these may be exercised in favour of the borrower. It should be noted that Trilogy Funds is under no obligation to pursue further recovery action after the security is sold.

National Consumer Credit Protection Act (NCCP Act) – Regulated loans

Trilogy Funds is not, and has no present intention to be in the future, licensed to make loans that are regulated under the NCCP Act. Nevertheless, it is possible that a court may for some reason hold that a loan is so regulated. In general terms, there are limits on the amount of default interest that may be charged and the actions that Trilogy Funds may have to take in enforcing a mortgage regulated by the NCCP Act are more demanding and may take longer to implement. In addition, the terms of the loan may be changed if the borrower is having or will have trouble making payments by reason of financial hardship caused by illness, unemployment or other reasonable cause.

External dispute resolution risk

Trilogy Funds is a member of an ASIC approved external dispute resolution scheme (EDR scheme), in accordance with its obligations in respect of the investors. Such an EDR scheme, in addition to considering complaints by investors, may also form the view that it is entitled to consider any complaint that is lodged by a borrower from TMIT, even if the borrower does not have a NCCP Act regulated loan.

There is now the additional risk that either during the course of a loan, or more typically when Trilogy Funds seeks to enforce the loan, the borrower lodges a complaint with the EDR scheme that has the effect of 'freezing' any enforcement action that is being taken or delaying any enforcement action that may be taken, while the EDR scheme considers the complaint.

Consultancy services risk

Trilogy Funds, as responsible entity of TMIT, is dependent upon its consultants (e.g. an independent qualified valuer) to provide consultancy services of the quality and at the times required by it. The ability of the consultants to do this and the accuracy of their advice cannot be guaranteed by Trilogy Funds and may be affected by factors completely outside its control.

Documentation risk

There is a risk of deficiency in the accuracy of documentation, including the mortgage documentation entered into for TMIT that could, in certain circumstances, adversely affect the recoverability of monies invested by TMIT and reduce the value of the investment.

Insurance risk

There is a risk that a borrower from TMIT may fail to effect property insurance over a secured property, or indeed may cancel such a policy once obtained, without prior notification to Trilogy Funds. Additionally, property insurance obtained may be inadequate or could be denied due to a number of circumstances, including the failure of the borrower to make proper disclosure to its insurer. There is also a risk that the insurer may not be able to meet its financial obligations under the insurance policy.

9.0 NEW ZEALAND INVESTORS

If you are a New Zealand investor:

- you must read the "Warning Statement for New Zealand investors" which is included in the PDS;
- All minimum and additional investments must be made in Australian dollars, not New Zealand dollars;
- all distributions and withdrawal payments will be made to you in Australian dollars, not New Zealand dollars;
- any fees and charges that you (as distinct from the Trust) may be required to pay such as transfer fees will be payable in Australian dollars, not New Zealand dollars; and
- all exchange risks and fees and charges for or relating to the conversion of one currency to another are payable by you.

New Zealand investors should contact us on:

Free call +800 5510 1230 or phone +617 3039 2828

Fax +617 3039 2829

All references to time are to Australian Eastern Standard Time (AEST).

New Zealand tax considerations

The following comments are general in nature and are based on current New Zealand tax law. Tax law changes frequently and its application is fact specific, so investors should not rely on these general comments but seek tax advice specific to their circumstances. The comments apply to investors who are a tax resident in New Zealand and who are portfolio investors (in effect, they hold less than 10% in the Trust) and hold their interest on capital account. The comments apply to direct investors only; indirect investors (or Platform Investors) will need to consider the nature of the intermediary through which they invest. Investors will

need to account for their interest in the Trust under either the foreign investment fund (FIF) rules or the dividend rules.

The investor would need to account for their units as an attributing interest in a FIF, unless an exemption applied. The Australian unit trust exemption may be relevant - this requires there to be a 'RWT proxy' in place and for the Trust to meet a minimum turnover test or a minimum distribution test. If that exemption does not apply, then the investor will need to calculate the FIF income from the units unless: (a) the investor is either a natural person and not acting as a trustee, or is the trustee of a very limited range of trusts; and (b) the total cost of all of that investor's attributing FIF interests (including the units) does not exceed NZ\$50,000.

If the investor is required to calculate FIF income, they will be liable to tax on attributed income calculated pursuant to a prescribed method.

Generally:

- The fair dividend rate method (FDR) will apply, although FDR cannot be used for certain non-ordinary shares i.e. 'guaranteed return' type investments for which the comparative value method must be used (or the deemed rate of return method if the comparative value method is not available).
- FDR calculates FIF income as 5% multiplied by the opening market value of all FDR interests held at the start of the income year, adjusted (using a prescribed formula) for any interests bought and sold within that income year. A variation on FDR applies to certain managed funds and unit valuing funds.
- A variation on FDR is permitted to natural persons (and some family trusts) where the 'total return' i.e. realised and unrealised return (on all FDR interests) is less than the amount calculated under FDR – the 'total return', being the FIF income, is calculated using a comparative value approach. In simple terms, under the comparative value method, the FIF income or loss is (closing value + gains) – (opening value + costs). If a total loss arises under the comparative value method from all the investor's FIF interests, the loss is limited to zero.

The same FIF method must be used for all FIFs of the same class (unless a method is not available for a FIF). Dividends are not taxed separately under FDR and FDR does not give rise to any FIF losses.

Investors should seek advice on the application of the FIF rules. No determination has been sought as to the applicable method to apply to units in the Trust.

If the investor is not subject to tax under the FIF rules, the investor will be liable to tax on a dividends basis (which includes reinvested distributions, and any deemed dividend amounts arising on for example a redemption or repurchase of units in certain circumstances). In general terms, investors will need to include the distributions (including any Australian withholding tax deducted) in their New Zealand income tax return and will be taxed at their marginal tax rate. Where Australian withholding tax has been deducted from the total distribution received a tax credit generally may be claimed up to the amount of the New Zealand tax payable on the distribution (net of any expenses). Investors should seek professional advice,

having regard to their particular circumstances, and satisfy themselves as to the tax implications, both in Australia and New Zealand, of investing in the Trust.

Service in New Zealand

The address for service in New Zealand is Trilogy Funds Management Limited, C/O DLA Piper New Zealand, 50-64 Customhouse Quay, Wellington 6140, New Zealand.

10.0 GUIDE TO COMPLETING THE APPLICATION FORMS

Please read the PDS and this Information Booklet before completing the application forms that accompany the PDS. If you need help completing your application form, please call Investor Relations on 1800 230 099 between 8:30am and 5:00pm weekdays AEST. Further instructions on how to complete the application form are located online at www.trilogyfunds.com.au/faq.

11.0 DEFINED TERMS

Adviser means a financial adviser who is licensed, or authorised, under an Australian financial services licence to provide you with personal advice, including about whether the Trust is suitable for your objectives, financial situation and needs.

ASIC means the Australian Securities and Investments Commission.

Corporations Act means the *Corporations Act 2001* (Cwth) together with the regulations and any amendments.

Constitution means the constitution of the Trust.

Custodian means The Trust Company Limited ACN 004 027 749 which is appointed external custodian of the Trust to hold the assets.

Information Booklet means the additional information booklet which forms part of this PDS and is referred to throughout the PDS.

Investment Manager means Trilogy Financing Pty Ltd ABN 16 615 429 386 as trustee for the Trilogy Financing Trust, an entity related to Trilogy Funds and authorised as a representative of Trilogy Funds (number 1253178) to provide certain financial services on its behalf.

PDS means the product disclosure statement issued by Trilogy Funds Management Limited ABN 59 080 383 679, AFSL 261425 from time to time.

Trilogy Funds or Responsible Entity means Trilogy Funds Management Limited, the responsible entity of the Trust.

Trust means Trilogy Enhanced Cash ARSN 614 682 469.