TRILOGY

Trilogy Enhanced Cash

INFORMATION BOOKLET
28 JUNE 2019

YIELD

Trilogy Enhanced Cash ARSN 614 682 469
Responsible Entity:
Trilogy Funds Management Limited
ACN 080 383 679 AFSL 261425
Investment Manager:
Trilogy Financing Pty Ltd
ABN 16 615 429 386 (AR number: 1253178)

TRILOGYFUNDS.COM.AU/CASH

Table of Contents

Contact details

If you have any questions please contact us:

Phone:	1800 230 099 during business hours
New Zealand:	+800 5510 1230
Facsimile:	+61 7 3039 2829
Email:	investorrelations@trilogyfunds.com.au
Website:	www.trilogyfunds.com.au
Registered office:	Level 23, 10 Eagle Street, Brisbane QLD 4000
Postal address:	GPO Box 1648 Brisbane QLD 4001

This Information Booklet is issued by Trilogy Funds Management Limited ABN 59 080 383 679, AFSL 261425 (Trilogy or we) in its capacity as responsible entity of Trilogy Enhanced Cash ARSN 614 682 469 (Trust). The information in this document forms part of the Product Disclosure Statement dated 28 June 2019 (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's 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 28 June 2019 and is issued by Trilogy 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 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 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, 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.

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 form.

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

Account number: 22 562 917 **BSB:** 124-028

Reference: Your surname, or, if you are an existing Trilogy 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

Current Investors wishing to add to their investment may do so at any time. Please use your investor ID in any electronic transfers. There is no minimum additional investment amount.

Before making or deciding to make an additional investment in the Trust, you should check www.trilogyfunds.com.au/cash for any new or supplemental product disclosure statement, for any updates to the PDS or this Information Booklet and for other updates about the Trust.

A request for a withdrawal can be made using the form 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 account from the date of deposit into your account.

We will confirm all withdrawals in writing. For you 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's 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 and its related body corporates and the Custodian, against all claims and demands for any loss arising as a result of Trilogy acting upon a faxed or emailed request/instruction which appears to bear your signature(s).

Transfers

With Trilogy's 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).

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 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 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 unit holders 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 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 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 by using the application form available on our website at www.trilogyfunds.com.au/cash (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 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 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 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 website at www.trilogyfunds.com.au/cash. Alternatively you can contact Trilogy's 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 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's registered office or obtained from ASIC. Trilogy 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 is committed to protecting the privacy of its investors. Trilogy 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 for the purposes for which it was provided and for other purposes permitted under the Privacy Act and as set out below.

The application form accompanying the PDS requires investors to provide personal information. Trilogy, and any service providers to Trilogy 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 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 in writing to do otherwise. Trilogy 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 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 holds about you. The information held may be obtained by contacting Trilogy. 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's service providers. Please advise Trilogy of any changes to information you have provided to us using the Change of Details form as provided on the Trilogy 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's Privacy Policy.

A copy of Trilogy's current Privacy Policy is available on the Trilogy website and a paper copy will be sent to you free of charge on request. Changes will be made to Trilogy's Privacy Policy from time to time to reflect changes in the law, including the Privacy Act. If you have any questions relating to Trilogy's Privacy Policy please contact us by email, fax 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 application form, which is publically available on the website, or available free of charge from Trilogy 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.

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's 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's compliance with Trilogy's 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 is paid to Trilogy monthly. The management fee is deducted directly from the Trust's assets. Trilogy reserves the right to waive or defer part or all of the management fee.
Other direct and indirect management costs[3] EQUALS	0.52% p.a. of the average funds under management of the Trust[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)	0.87% p.a. of the 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.
Switching fees		
Switching fee The fee for changing distribution options	Not applicable	Not applicable

Note 1 *See section entitled "Constitution and fee changes" on page 7 for details of the maximum fee amounts allowed under the Trust's Constitution.*

Note 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.*

Note 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.*

Note 4 *The indirect costs have been calculated based on indirect cost amounts paid or expected to be paid in the financial years ended 30 June 2018 and 2019, and costs expected to be incurred in the next financial year. See "Management Costs" below for further details.*

Additional explanation of fees and costs

Management costs

Trilogy 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 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.

Together, the management fee and the indirect costs comprise the management costs for the Trust.

Differential fees

We may negotiate a rebate of all or part of Trilogy's 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's 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 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's 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's management fee and, if incurred, are payable from the assets of the Trust sand are in addition to the aggregate management costs (0.86%p.a.) described above.

Inter-fund or related fund investments

The Trust invests in other Trilogy registered managed investment schemes including the related fund, Trilogy Monthly Income Trust of which Trilogy is also responsible entity. Trilogy earns management fees in respect of the Trust's investment in Trilogy Monthly Income Trust 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 does not pay Advisers and other intermediaries product commissions from the Trust. However, you may request Trilogy 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 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, and will have an impact on the amount of your monthly distribution. Please contact Trilogy 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 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 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 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 before making a decision to invest.

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 a 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 income tax and are based on the current laws in Australia as at the date of this Information Booklet. The tax comments do not take into account any changes in the tax law or future judicial interpretations of the tax law after this time.

The taxation information provided below is of a general nature and is only relevant for Australian resident 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.

Resident individual investors

We will provide you with an annual Attribution Member Annual (AMMA) statement or tax distribution statement after 30 June each year. This statement will detail the assessable and non-assessable components of distributed or attributed by the Trust for each 12-month period to 30 June.

Investors in the Trust should be assessed on their share of the net (tax) income of the Trust for the relevant year. The share is determined based on the attribution of the different income characters by the Trust to the Investors. This is the case even where cash distributions are reinvested into the Trust, where no cash distributions are made by the Trust, or where the income distributions differ to the attribution of the different characters from the Trust.

For example:

- Interest Income – your share of the assessable 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-assessable amounts – the Trust may distribute amounts which are not assessable. However, the receipt of certain non-assessable amounts from the Trust may have the consequence of reducing the cost base of your units in the Trust for capital gains tax purposes. This should impact on the calculation of any capital gain or capital loss made on the cancellation, redemption or divestment of the relevant units (refer below).

Any net tax losses made by the Trust cannot be distributed to Investors. Rather, the net tax losses are carried forward and may be applied by the Trust to offset its assessable income in future income years, subject to satisfying any loss utilisation rules that may be applicable for the relevant period.

Capital Gains

The disposal, cancellation or redemption of any unit in the Trust may give rise to a capital gain or capital loss that should be included in the net capital gain calculation of that investor for the relevant period. A capital gain is made where the capital proceeds from the disposal, cancellation or redemption exceed the cost base of the relevant unit at the time of the disposal, cancellation or redemption. A capital loss is made from the disposal, cancellation or redemption where the capital proceeds from the disposal, cancellation or redemption of the unit are less than the reduced cost base of the unit at the time of the disposal, cancellation or redemption. In order to determine their capital gain or capital loss position from the disposal, cancellation or redemption, investors will need to adjust the tax cost base of each unit in the Trust for certain non-assessable distributions or distribution shortfall amounts in respect of that unit. Certain investors, including individuals, trusts and superannuation funds, may be entitled to a discount on any capital gain (after the application of capital losses) made on units that were held for a period of at least 12 months. The discount is 50% for Australian resident individuals and trusts, and 33.33% for complying superannuation funds.

Attribution Managed Investment Trust regime

The Trust currently qualifies as a Managed Investment Trust (MIT) as defined in the income tax law, and a choice has been made by the Trust to elect into the Attribution Managed Investment Trust (AMIT) regime. 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. It is intended for the Trust to continue to qualify as a MIT and an AMIT each year.

If the AMIT regime applies to the Trust for an income year, then the tax outcomes for investors should be as follows:

- 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 each year end. This attribution will be based on the Trust's Constitution and the PDS.
- The amounts attributed to you from the Trust each year will be disclosed in an 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.
- Subject to certain limitations, you and the Trust can rely on specific legislative provisions that allow for an adjustment in calculating the net (tax) income of the Trust for a previous income year to be carried forward and dealt with in the year that the adjustment is discovered;
- You will be subject to a tax cost base adjustment mechanism, which may result in increases or decreases to the tax cost base of your units in the Trust, broadly where there is a difference between the cash 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.
- If applicable, Australian withholding tax will be levied on the amounts attributed to a non-resident investor from the Trust, which may be different to the cash that is actually distributed by the trust for the relevant year.
- Taxable amounts may be attributed to you by the Trust at the time of any redemption or cancellation of units in the Trust on a fair and reasonable basis in accordance with the Trust's Constitution and the PDS.

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 investors should be subject to tax on their proportionate share of the net (tax) income of the Trust for that year, based on their present entitlement to the 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 in the Trust.

Non-resident individual investor

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 investors.

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%). 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 is required by law to deduct tax from the taxable component of any distributions at the highest marginal tax rate plus the Medicare levy (currently 47%).

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 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 OECD Common Reporting Standard (CRS) in Australia. This standard requires the Trust to report to the Australian Taxation Office (ATO) certain details of its foreign investors.

To comply with the above, Trilogy 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. Trilogy will report information in respect of certain investors and their units in the Trust. Broadly, we will report to the ATO information in respect of investors 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 units in the Trust to the ATO, or any distributions made to you on your units in the Trust.

The ATO will share information reported to it by Reporting 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 CRS purposes.

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 is a reference to it in its capacity as responsible entity of the Trilogy Monthly Income Trust.

Property market risk

Property market risk is the risk that negative movements in the property market may impact on the Trilogy Monthly Income Trust and its capacity to fully recover the amount owing on a mortgage. Trilogy manages this risk by strictly complying with its lending guidelines, loan-to-valuation (LVR) policies, compliance program, and collections procedures. It is Trilogy's 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 the Trilogy Monthly Income Trust 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 Trilogy Monthly Income Trust, 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 the Trilogy Monthly Income Trust 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, the Trilogy Monthly Income Trust 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, the Trilogy Monthly Income Trust 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, the Trilogy Monthly Income Trust 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 the Trilogy Monthly Income Trust 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 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 the Trilogy Monthly Income Trust 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 is under no obligation to pursue further recovery action after the security is sold.

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

Trilogy 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 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 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 the Trilogy Monthly Income Trust, 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 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, as responsible entity of the Trilogy Monthly Income Trust, 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 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 the Trilogy Monthly Income Trust that could, in certain circumstances, adversely affect the recoverability of monies invested by the Trilogy Monthly Income Trust and reduce the value of the investment.

Insurance risk

There is a risk that a borrower from the Trilogy Monthly Income Trust may fail to effect property insurance over a secured property, or indeed may cancel such a policy once obtained, without prior notification to Trilogy. 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 form

Please read the PDS and this Information Booklet before completing the application form that accompanies 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 and authorised as a representative of Trilogy (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 or **Responsible Entity** means Trilogy Funds Management Limited, the responsible entity of the Trust.

Trust means Trilogy Enhanced Cash ARSN 614 682 469.

TRILOGY

For more information, please visit our website

TRILOGYFUNDS.COM.AU

BRISBANE
(Registered Office)

Level 23
10 Eagle Street
Brisbane Qld 4000

GPO Box 1648
Brisbane Qld 4001

SYDNEY
Level 13
56 Pitt Street
Sydney NSW 2000

P 1800 230 099
(within Australia)

or +61 7 3039 2828
F +61 7 3039 2829

E investorrelations@trilogyfunds.com.au

Trilogy Enhanced Cash
ARSN 614 682 469

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

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