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Hamilton Chase

Hamilton Chase Select Investment Fund

ARSN 618 490 494

Hamilton Chase Bentleigh Debt Sub-Trust Supplementary Product Disclosure Statement

7 January 2019

Responsible Entity
**Melbourne Securities
Corporation Limited**

ACN 160 326 545
AFSL No. 428289



Fund Manager
Hamilton-Chase Pty Ltd

ACN 614 420 807
Authorised Representative No. 1253335
of Momentum Wealth Management
Corporation Pty Ltd
ACN 168 372 870 AFSL No. 454895

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Important Information

This Supplementary Product Disclosure Statement (**SPDS**) is dated 7 January 2019 and has been issued by Melbourne Securities Corporation Limited ACN 160 326 545 AFSL No.428289 as the trustee and responsible entity (**Responsible Entity**) of the Hamilton Chase Select Investment Fund ARSN 618 490 494 (**Fund**) and the Responsible Entity of the Hamilton Chase Bentleigh Debt Sub-Trust (**Bentleigh Debt Sub-Trust/the Sub-Trust**). Hamilton-Chase Pty Ltd ACN 614 420 807 (**Fund Manager**) has been appointed as the Fund Manager of the Fund. The Fund is a registered managed investment scheme. This document relates to the offer (**Offer**) of interests in the Fund consisting of Debt Units in the Bentleigh Debt Sub-Trust. This SPDS is supplementary to and should be read in conjunction with the PDS for the Fund dated 7 January 2019 (**Fund PDS**). In particular, the section titled 'Important Information' and section 5 'Risks' in the PDS should be considered and understood. Defined terms in the Fund PDS may be used in this SPDS

An investment in the Bentleigh Debt Sub-Trust does not represent a deposit with or a liability of the Fund Manager or the Responsible Entity and is not covered by the deposit or protection provisions available to depositors that make a deposit with an Australian ADI. An investment in the Bentleigh Debt Sub-Trust is subject to investment risk, including possible delays in repayment and loss of income or capital invested. Investors should note that the Fund includes a number of sub-trusts. The assets of one sub-trust are not available to satisfy liabilities in another sub-trust.

Currency of Information

This document is current as at the date of this document. Information in this document is subject to change from time to time. If the change is not materially adverse to Investors, the Fund Manager or Responsible Entity may update the document by posting a notice on the Website. The Fund Manager will provide at no charge a paper copy of the updated information on request. If there is a change that is materially adverse, the Fund Manager or Responsible Entity will replace this document or issue a supplementary product disclosure statement to this SPDS for the Bentleigh Debt Sub-Trust.

1. Debt Sub-Trusts

The Responsible Entity establishes Sub-Trusts for each debt investment opportunity procured by the Fund Manager. In seeking debt investment opportunities, the Fund Manager focuses on loans to fund residential or commercial property acquisitions and property development projects.

Loans will be made by MSC as the Responsible Entity of the Debt Sub-Trust to corporate entities that are special purpose vehicles (SPV) related to the Fund Manager established for the purpose of holding acquiring and developing the property. The Custodian appointed by the Responsible Entity will enter into the loan agreement with the special purpose asset-owning entity established by the Fund Manager to hold the real property. Investors should note that they will not have a direct interest in the loan.

The terms of the loan will be determined between the Fund Manager and the SPV borrower (Borrower) on the basis of the specific funding needs of the relevant project, subject to the approval of the Responsible Entity.

In some cases the loan may be subordinated to a separate loan agreement between the Borrower and another senior lender (e.g. a bank), which means that the bank senior lender will rank first in relation to enforcing the security up to the amount of its debt and will likely be the one responsible for enforcement on behalf of all secured creditors in respect of the development given its seniority of position. In addition, repayments of the amounts owing to the Responsible Entity in its capacity as the trustee of the Debt Sub-Trust may be prohibited under the subordination arrangements until the senior debt has been repaid, unless specific payments such as interest are negotiated (though this is often unsuccessful from a junior creditor perspective).

These arrangements may be provided for in a Security Trust Deed under which a Security Trustee would hold the secured property on behalf of the Responsible Entity in its capacity as the trustee of the Debt Sub-Trust and the senior lender, and within that document can include provisions around the repayment of each financier's debt (which may include the addition of a paying agent or else use the Security Trustee as paying agent). The Security Trust Deed may also deal with the subordination arrangements or else this may be documented separately under a priority and subordination deed. Whilst a Security Trustee is not always required, it is helpful for the management and enforcement of security by setting out the terms of such enforcement so that there is no conflict as between senior and junior creditors around enforcement rights in respect of the same debtor/asset. Alternatively, under the priority and subordination documentation, the senior lender may be appointed as the agent for enforcement purposes.

A Unit in a Debt Sub-Trust (Debt Unit) is different to a Unit in an Equity Sub-Trust (Equity Unit) in that the returns are limited to a Target Distribution Rate (Target Distribution Rate) set usually by reference to the interest rate payable by the Borrower. The distribution of the return to the investor will be paid from interest received from the Borrower (Target Return Income).

2. Bentleigh Debt Sub-Trust-Trust

The Responsible Entity has established the sub-trust for this investment as a Debt Sub-Trust. This SPDS is for investment in the Hamilton Chase Bentleigh Debt Sub-Trust, which is a Debt Sub-Trust of the Hamilton Chase Select Investment Fund (Fund). Before investing in the Bentleigh Debt Sub-Trust, you must apply for Units in the Fund by completing the Application Form attached to the Fund Product Disclosure Statement (Fund PDS). You can then invest in the Bentleigh Debt Sub-Trust by completing the Application Form attached to this SPDS. You should read the Fund PDS and this SPDS in their entirety before applying.

Investment Strategy and Objective

The Bentleigh Debt Sub-Trust is a Debt Sub-Trust created under the Fund. The primary investment of the Bentleigh Debt Sub-Trust is a commercial loan facility of \$10,000,000 to allow for construction of a building comprising retail, commercial and residential premises, located at 277 Centre Road, Bentleigh VIC (Facility).

Hamilton Chase Bentleigh Pty Ltd as trustee for the Hamilton Chase Bentleigh Unit Trust is the owner of the land at 277 Centre Road, Bentleigh VIC (Property) and will also be the borrower under the Facility (Borrower) from Melbourne Securities Corporation Limited in its capacity as Responsible Entity of the Hamilton Chase Bentleigh Debt Sub-Trust. The Responsible Entity will designate the Facility to be an asset of the Bentleigh Debt Sub-Trust and keep it separate from assets of other sub-trusts within the Fund.

The Borrower is owned by Hamilton Chase Holdings Pty Ltd. The ultimate holding company of the Borrower is Sexton Pty Ltd as trustee for the Legends Trust, which is the family trust for Paul Huggins, the Managing Director of Hamilton-Chase.

Target distribution rates available

Three classes of Debt-Trust Units are on offer to Investors with rates of income distribution depending on the amount contributed to the Bentleigh Debt Sub-Trust by the Investor as follows:

Class	Target Distribution Rate
Class A Units: Contribution of \$50,000 - \$250,000	6.50% p.a.
Class B Units: Contribution of \$250,000 - \$500,000	7.00% p.a.
Class C Units: Contribution of \$500,000 or more	7.50% p.a.

The Target Distribution Rates are target rates, and not guaranteed rates, because actual distribution to members of each class will be impacted by factors such as the borrower's performance of its obligations under the loan agreement and unexpected expenses incurred by the Responsible Entity in relation to administering the Debt Sub-Trust.

Investments will be placed into the class of unit referable to the amount invested at any one time. For example, if you invest \$240,000 you will be issued Class A Units and your Target Distribution Rate will be 6.50% p.a. If you choose to invest a further \$260,000, you will be issued Class B Units and your Target Distribution Rate will be 7.00% p.a, ie. those combined investments will not be redeemable or otherwise transferable for Class C Units.

3. Investment Overview

The below table sets out some of the key information of the Bentleigh Debt Sub-Trust, but it is not a complete summary. Before making an investment, you should read this SPDS in its entirety and the product disclosure statement for the Fund (Fund PDS) and seek any professional investment and tax advice you consider necessary in order to make an informed decision as to whether to invest in the Fund or the Bentleigh Debt Sub-Trust.

Investment Details	
The Structure of the Bentleigh Debt Sub-Trust and the Investment	The Bentleigh Debt Sub-Trust is a Debt Sub-trust created under the Fund by the Responsible Entity to allow investment in a specific mortgage. Investors will receive Debt Units in the Bentleigh Debt Sub-Trust and the rights of the Investors in the Debt Units will be kept separate from the rights of Unit Holders in any other Sub-Trusts within the Fund. The main investment of the Bentleigh Debt Sub-Trust is a commercial loan facility (Facility) of up to \$10 million to allow for construction of a building comprising retail, commercial and residential premises and equity repatriation for the Borrower (or a related party of the Borrower) in relation to the acquisition of the Property. Estimated gross realised asset value upon completion is approximately \$45 million AUD. Hamilton Chase estimates the build time is 15 months from the date of commencement of construction.
Fund Manager	Hamilton-Chase Pty Ltd (Fund Manager) has been appointed by the Responsible Entity under a Management Agreement to manage the Fund.
Responsible Entity	Melbourne Securities Corporation Limited ACN 160 326 545 AFSL No. 428289 is the Trustee and Responsible Entity of the Fund. The Responsible Entity will issue Debt Units in the Bentleigh Debt Sub-Trust to Investors.
Eligible Investors	The Offer is available to retail clients and persons who qualify as wholesale clients (as defined in section 761G of the Corporations Act) and sophisticated clients (as defined in section 761G of the Corporations Act).

Investment Details													
	and sophisticated clients (as defined in section 761GA of the Corporations Act.												
Custodian	AET Corporate Trust Pty Limited ACN 106 424 088 will be appointed by the Responsible Entity as Custodian under a Custody Agreement to hold the assets of the Fund as agent of the Responsible Entity.												
Target Application Amount	The target amount to be raised under the Bentleigh Debt Sub-Trust is \$10 million. However, the Bentleigh Debt Sub-Trust will proceed even if this target is not met, with no minimum subscription amount being set.												
Principal Sum available under the Facility	The principal sum available to the Borrower under the Facility will be an amount up to \$10 million.												
Lender	Melbourne Securities Corporation Limited as trustee of the Hamilton Chase Bentleigh Debt Sub-Trust.												
Borrower	Hamilton Chase Bentleigh Pty Ltd as trustee for the Hamilton Chase Bentleigh Unit Trust.												
Interest Rate payable by the Borrower	10% p.a. payable monthly in arrears.												
Distributions payable to Investors	<p>Investors in the Debt-Units will receive distributions of income of the Bentleigh Debt Sub-Trust based on their proportionate share of the Bentleigh Debt Sub-Trust's net income (Distributions).</p> <p>Distributions will be distributed quarterly at the end of March, June, September and December. An Investor's Distribution will be calculated daily (based on the number of days the investor has held the Debt-Units), and paid in arrears.</p> <p>Distributions will be calculated in accordance with the Classes of Units and rates as set by the Fund Manager and will depend on the amount contributed to the Bentleigh Debt Sub-Trust by the investor, as set out below:</p> <table border="1"> <thead> <tr> <th>Class of Unit</th> <th>Amount Invested</th> <th>Target Distribution Rate (p.a.)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>\$50,000 - \$250,000</td> <td>6.50%</td> </tr> <tr> <td>B</td> <td>\$250,000 - \$500,000</td> <td>7.00%</td> </tr> <tr> <td>C</td> <td>\$500,000 +</td> <td>7.50%</td> </tr> </tbody> </table> <p>The above Target Distribution Rates are net of Fees including Management Fees and Administration Fees.</p> <p>For example, if you were to contribute \$50,000 to the Bentleigh Debt Sub-Trust under this SPDS you would receive 50,000 Class A Units in the Bentleigh Debt Sub-Trust issued at an Application Price of \$1.00 each and your target Distributions would be \$812.50 per quarter (\$3,250 per annum), after all Management Fees and Administration Fees have been deducted. The above example is an illustration only and the Distributions you receive will depend on the Target Distribution Rate applicable to you at the time of investment, the impact of any unexpected expenses and the Responsible Entity being able to pay distributions of income to Unit Holders, which is not guaranteed.</p> <p>Investors should note that Distributions are not guaranteed. An investment may achieve lower than expected returns and Investors risk losing some or all of their principal investment. Past performance is no indication of future performance and actual Distributions will be dependent on the performance of the Project. Investors should note that Distributions are not guaranteed, and the Project may achieve lower Distributions than the Target Distribution Rate.</p>	Class of Unit	Amount Invested	Target Distribution Rate (p.a.)	A	\$50,000 - \$250,000	6.50%	B	\$250,000 - \$500,000	7.00%	C	\$500,000 +	7.50%
Class of Unit	Amount Invested	Target Distribution Rate (p.a.)											
A	\$50,000 - \$250,000	6.50%											
B	\$250,000 - \$500,000	7.00%											
C	\$500,000 +	7.50%											

Investment Details	
Security	<ul style="list-style-type: none"> • Second registered mortgage over the Property held by the freehold owner • General Security Deed over the Borrower, Hamilton Chase Bentleigh Pty Ltd • Personal Guarantee and Indemnity from the director of the Borrower • Corporate guarantee from the Developer, Momentum Melbourne Developments Pty Ltd
Conditions to the Facility	<p>Advancement of funds to the Borrower under the Facility are subject to the Lender being provided with and being satisfied of the following conditions, prior to drawdown from the Facility by the Borrower:</p> <ul style="list-style-type: none"> • Searches and inquiries (including title searches of the Property, PPSR and ASIC searches in relation to the Borrower, Developer and each guarantor) • Report by the Quantity Surveyor in respect of the Project
Minimal Initial Investment	\$50,000
Additional Investments	Following the minimum initial investment, additional investments of a minimum of \$25,000 can be made by Investors at any time.
Withdrawals	Limited withdrawals may be offered by the Responsible Entity in its absolute discretion during the Term of the Bentleigh Debt Sub-Trust to Investors who have held their Debt-Units for a minimum of 12 months.
Management Fee	<p>The Fund Manager will receive a Management Fee of up to 2.5% per annum of the most recently determined Net Asset Value for managing the Bentleigh Debt Sub-Trust (incl GST). The Management Fee is calculated as the excess of interest received by the Responsible Entity from the Borrower and the Target Distribution Rate payable to Investors (see Target Return Income above). The Management Fee accrues and is calculated as at the last day of each calendar month and is payable monthly.</p> <p>The actual percentage payable as the Management Fee will depend on the Investment Amount contributed by each Unit Holder, which will determine the Target Distribution Rate payable to the Unit Holder. See table set out above in 'Distributions payable to Investors'.</p> <p>For example, if you contribute \$500,000 to the Bentleigh Debt Sub-Trust, you will be issued with Class C Debt Units which has a Target Distribution Rate of 7.5% per annum. The Management Fee payable will be 1.5% per annum, calculated and payable monthly. For example, for an entire year, the total Management Fee charged would be \$7,500 inclusive of GST (ie. \$6,818.18 and GST of \$681.82) (calculated as 10% Interest payable by the Borrower under the Loan Facility, minus an Administration Fee of 1% and the 7.5% Target Distribution Rate).</p> <p>The Management Fee is debited monthly against and paid out of income received from the Borrower or, at the discretion of the Fund Manager, is held to the account of the Bentleigh Debt Sub-Trust on maturity or realisation or repayment of the Facility.</p>

Investment Details	
Administration Fee	<p>The Fund Manager may receive an Administration Fee for the Fund for an amount up to 1% per annum (incl GST) of the Net Asset Value, for the provision of administration services to the Fund. This Administration Fee accrues and is payable at the end of each calendar month calculated as at the last day of each calendar month, using the most recently determined Net Asset Value.</p> <p>For the Bentleigh Debt Sub-Trust, the Administration Fee determined by the Fund Manager is 1% per annum of the Net Asset Value incl. GST payable to the Fund Manager.</p>
Key Benefit	<p>Investors have the benefit of a Target Distribution Rate over the 3 year term to invest with an above market sector return ranging for 6.50% to 7.50% with the comfort of quarterly distributions on their investment. In addition, Investors may have a window to withdraw some or all their investment on an annual basis, subject to the Responsible Entity making a withdrawal offer, in its discretion and on the advice of the Fund Manager.</p>
Key Risks	<p>Debt Sub-Trust Risks</p> <p>Investments in a Sub-Trust are illiquid, and Investors will only be able to withdraw their investment in limited circumstances. Limited withdrawal offers may be offered annually, in the Responsible Entity's discretion.</p> <p>The value of a property or loan that Investors have exposure to may go up or down and Investors are not guaranteed a return.</p> <p>As the Sub-Trust has exposure to a loan relating to property with development potential, there may be problems getting development plans through councils or town planning authorities. In addition, there is a risk that the developer may not be able to complete the development.</p> <p>There are various other risks associated with the Bentleigh Debt Sub-Trust including default, security and interest rate risks.</p> <p>Default and credit risk</p> <p>There is a risk that the Borrower may not be able to meet its financial obligations.</p> <p>Investments in the Fund are not capital guaranteed. During the life of a loan, factors outside the control of the Responsible Entity and the Fund Manager, such as economic cycles, property market conditions, government policy, inflation and general business confidence, could affect property values and the Borrower's ability to continue to service a loan.</p> <p>If the secured property is required to be sold to recover a debt, Investors' capital may be diminished or lost if the sale fails to realise sufficient funds to satisfy the principal loan balance and any interest and costs.</p> <p>Security risk</p> <p>This is the risk that the secured property is damaged or destroyed and the insurance cover proves to be insufficient to cover the full amount invested in the loan. The Fund Manager will manage this risk by verifying insurance certificates of currency provided by the developer and ensuring that the insured sum is commensurate with valuation of the relevant asset.</p> <p>There is also a risk that delays could occur between the Borrower going into default and the sale of the secured property. These delays may affect the payment of distributions to Investors.</p> <p>Second ranking lender risk</p> <p>The investment involves a second ranking mortgage over the secured</p>

2. About the Fund

Investment Details	
	<p>property (which ranks in priority behind a senior lender). In the event of a default by the Borrower the Responsible Entity's or the Fund Manager's ability to recover the amount owing under the loan will be affected by the actions of the senior bank lender.</p> <p>The senior lender will have the right to take possession of, and deal with, the secured property and assets of the Borrower if various covenants of the senior lender's loan facility are not met. Because the security of the Responsible Entity will rank behind that of the senior lender, if the Borrower defaults under any of the loan facilities and the senior lender exercises its security, the Responsible Entity and the Fund Manager will not have day-to-day control over the Borrower's assets. This will generally mean that the Responsible Entity cannot exercise the security until the senior lender has been paid in full.</p> <p>The senior lender may require the Sub-Trust to be fully subordinated to the senior lender. It will likely be the case that only interest is repayable monthly in arrears. If the senior lender does not agree to interest repayments being made (i.e. a complete prohibition on any repayments to the Sub-Trust by the Borrower), interest will likely need to be capitalised and payable at the time the facility expires and the principal is repaid in full.</p>
ASIC Disclosure Benchmarks and Principles	<p>The Sub-Trust meets many of the Benchmarks and Disclosure Principles in ASIC's <i>Regulatory Guide 45: Mortgage Schemes: Improving disclosure for retail investors (RG 45)</i>, which is relevant to the Bentleigh Debt Sub-Trust. For disclosure against these benchmarks and disclosure principles, see Section 5.</p>
Termination or winding up of the Bentleigh Debt Sub-Trust	<p>The Responsible Entity will initiate the winding up of the Bentleigh Debt Sub-Trust at the end of the Project or as otherwise required in its discretion. Both Unit Holders of the Sub-Trust or the Responsible Entity may initiate the termination or winding up of the Sub-Trust.</p> <p>The Bentleigh Debt Sub-Trust will be wound up if the Unit Holders pass an Extraordinary Resolution (requiring 50% of the total votes that may be cast by members) to:</p> <ul style="list-style-type: none"> • wind up the Sub-Trust; • approve the change of the trustee of the Sub-Trust to someone other than the Responsible Entity of the Fund; or • change the custodian of the Sub-Trust to someone other than the Custodian of the Fund. <p>If Unit Holders of the Sub-Trust vote to replace the Responsible Entity of the Fund as trustee of the Sub-Trust, the Unit Holders will cause the Sub-Trust to be wound up, as it is intended that the Responsible Entity of the Fund will be the Responsible Entity of each Sub-Trust within the Fund. In these circumstances, the assets of the Sub-Trust will be realised and distributed in accordance with the Constitution.</p>
Project Details	
Property	277 Centre Road, Bentleigh VIC 3204
Highlights	<p>The Property is located on Centre Road, with a 33.5m retail strip frontage. There is dual street access via Oak Street and Centre Road, in addition to 36 car spaces at the rear. Current leases on a month to month basis are in place providing rental income of \$285,000 per annum.</p> <p>The Property is situated within a thriving commercial precinct and one of Melbourne's most sought-after residential locations. It is some 13km from the CBD, with excellent access to Melbourne's main arterial road networks, public transport at its doorstep and nearby to Brighton Public Golf Course and Brighton Beach and Bathing Boxes.</p>

Investment Details	
Registered Proprietor	Hamilton Chase Bentleigh Pty Ltd ATF Hamilton Chase Bentleigh Unit Trust.
Planning	Planning Permit approval no GE/:3084/2016 (Glen Eira)
Project	The Property has a prominent 1,564sqm site area and is a commercial 1 zoned landholding. The Property has permit approval (no GE/:3084/2016) for a mixed-use development comprising 52 apartments and two ground floor retail spaces
Valuation	Knight Frank has provided a valuation in August 2018 valuing the land on an 'as is' basis at \$9,750,000.
Developer	Momentum Melbourne Developments Pty Ltd ACN 140 759 995
Building Contractor	Buildcorp Commercial
Project Team	Architect – Peddle Thorp Architects Financial Advisors – Momentum Melbourne Development Board Building Surveyor – BSGM Consulting Building Surveyors (BSGM) Remediation Auditors – Pitcher Partners Quantity Surveyor – WT Partnership Structural Engineer – Webber Design Services Engineer and Waste Management – Simpson Kotzman Fire Engineer - BSGM
Expected Completion Date	1 July 2022

4. Fees and other Costs

CONSUMER ADVISORY WARNING

Did you know?

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

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

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

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

Fees and costs of the Bentleigh Debt Sub-Trust

This SPDS discloses the fees and other costs that you may be charged when investing in the Bentleigh Debt Sub-Trust. These fees and costs may be deducted from your money, from the returns on your investment or from the Trust's assets as a whole.

You should read all the information about fees and costs because it is important to understand their impact on your investment. Similar information is included in other managed investment scheme Product Disclosure Statements so you can compare costs with those of other managed investment products.

Type of fee or cost	Amount	How and when paid
Fee when your money moves in and out of the Fund		
<i>Establishment Fee</i>	Nil	N/A
<i>Contribution Fee</i>	Nil	N/A
<i>Withdrawal Fee</i>	Nil	N/A
<i>Exit Fee</i>	Nil	N/A
Management Costs		
The fees and costs for managing your investment	Class A Units: 3.50% (incl GST) per annum of Net Asset Value Class B Units: 3.00% (incl GST) per annum of Net Asset Value Class C Units: 2.50% (incl GST) per annum of Net Asset Value	Management costs are comprised of: <i>Administration Fees:</i> 1% per annum (incl GST) of Net Asset Value <i>Management Fees</i> Class A: 2.50% per annum (incl GST) of Net Asset Value Class B: 2.00% per annum (incl GST) of Net Asset Value Class C – 1.50% per annum (incl GST) of Net Asset Value Management costs are calculated monthly and payable monthly in arrears from the Debt Sub-Trust
Service Fees		
Investment switching fee	Nil	N/A

For further information, see the Additional information on fees and costs section below.

Example of annual fees and costs for the Bentleigh Debt Sub-Trust

This table gives an example of how the fees and costs in the Bentleigh Debt Sub-Trust can affect your investment over a one year period. You should use this table to compare this product with other managed investment schemes.

EXAMPLE – the Bentleigh Debt Sub-Trust – Class A Units	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR	
Contribution Fees	Nil	Not applicable
PLUS Management Costs	3.50%	And, for every \$50,000 you have in Class A Units you will be charged up to \$1,750 each year.
EQUALS Cost of Class A Units		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of up to: \$1,750* What it costs will depend on the class of units issued to you.

*Additional fees may apply

EXAMPLE – the Bentleigh Debt Sub-Trust – Class B Units	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR	
Contribution Fees	Nil	Not applicable
PLUS Management Costs	3.00%	And, for every \$50,000 you have in Class A Units you will be charged up to \$1,500 each year.
EQUALS Cost of Class B Units		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of up to: \$1,500* What it costs will depend on the class of units issued to you.

* Additional fees may apply

* Note that the minimum investment for Class B units is \$250 000



EXAMPLE – the Bentleigh Debt Sub-Trust – Class C Units	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR	
Contribution Fees	Nil	Not applicable
PLUS Management Costs	2.50%	And, for every \$50,000 you have in Class A Units you will be charged up to \$1,000 each year.
EQUALS Cost of Class C Units		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of up to:</p> <p style="text-align: center;">\$1,000*</p> <p>What it costs will depend on the class of units issued to you.</p>

* Additional fees may apply

* Note that the minimum investment for Class C units is \$500,000

Additional Explanation of Fees and Costs

The expenses incurred by the Responsible Entity in performance of its obligations and functions in relation to Bentleigh Debt Sub-Trust are expected to be paid out of the Administration Fee and Management Fee. However, to the extent that they are not paid out of these fees, the Responsible Entity is entitled to be reimbursed out of the assets of the Bentleigh Debt Sub-Trust. This would include expenses incurred in relation to:

- (a) all unpaid interest due and payable under a mortgage which is paid by the Responsible Entity to Unit Holders of the Bentleigh Sub-Trust;
- (b) all costs and expenses incurred in preparing security property for sale, including completion of building works;
- (c) all professional fees, costs and expenses incurred in relation to engaging valuers, quantity surveyors, project managers and other building or property consultants incurred in connection with the security property;
- (d) legal costs and expenses incurred in recovering all moneys to which the Unit Holders of the Bentleigh Debt Sub-Trust are entitled;
- (e) payment of all expenses relating to credit checks, title searches and enquiries and company searches;
- (f) payment of all rates and taxes payable on the security property; and
- (g) payments of all repairs and maintenance to the security property and of any insurance amounts.

Management fees and costs

Management fees and costs are comprised of the Administration Fee of 1.00% (incl GST) and the Management Fee of up to 2.50% per annum (inclusive of GST) of the Net Asset Value of the Sub-Trust.

For example, the Administration Fee of 1% and a Management Fee of 2.5% on Net Asset Value of \$10 million would equate to fees being charged of \$350,000 inclusive of GST (i.e. fee of \$318,182 and GST of \$31,818).

The Administration Fee and the Management Fee are calculated monthly and paid by the Fund monthly in arrears. These fees are debited against and paid out of interest paid in each Sub-Trust or, at the discretion of the Responsible Entity, is held to the account of the Sub-Trust on maturity or realisation or repayment of the relevant asset.

The Responsible Entity or Fund Manager may, in its absolute discretion, waive or reduce any entitlement to recover the Management Fee.

In the event of default under a Loan, the Borrower will be required to pay default interest, which the Responsible Entity will pass on to the Unit Holders of the Bentleigh Debt Sub-Trust. There will be no Management Fees or Administration Fees payable on the default interest.

As all indirect costs of the Fund are expected to be paid by the Responsible Entity and the Fund Manager out of the Administration Fees and Management Fees, there are no additional indirect costs that are expected to reduce the return to investors.

Maximum fees and waiver

Under the Constitution, the Responsible Entity has the right to accept lower fees than it is entitled to receive, to defer payment or to waive its entitlement to such fees at its discretion.

Fee calculator

ASIC's website <http://www.moneysmart.gov.au> has a managed investment calculator that can be used to calculate the effect of fees and costs on account balances.

Differential fees

In accordance with the Corporations Act, the Responsible Entity may individually negotiate fees with investors classed as Wholesale Clients or on the basis of the value of their investments. We may also offer reduced fees to our employees, and those of any related bodies corporate.

Changes to fees and costs

The Responsible Entity may introduce new fees or change existing fees at any time. We will notify you at least 30 days before introducing or increasing fees.

5. ASIC Benchmarks and Disclosure Principles

As a registered managed investment scheme investing in property and mortgages, the Fund is required to comply with ASIC's *Regulatory Guide 45: Mortgage Schemes: Improving disclosure for retail investors (RG 45)* and *Regulatory Guide 46: Unlisted property schemes: improving disclosure for retail investors (RG 46)* depending on the assets in the Sub-Trusts at any point in time.

While the Fund has at least 50% of its assets in the Sub-Trusts invested in loans secured by mortgage over real property, RG 45 will apply.

Please see our website www.hamiltonchase.com.au for updated information as the benchmarks and disclosure principles and the Fund's performance against them can change. The Fund Manager will review and update the benchmark and disclosure principle information on its website in the event of any material change and in any other case on a half-yearly basis.

Benchmark and Disclosure Principle from RG 45: Mortgage Schemes	Benchmark Met/Not Met	Disclosure 'If Not, Why Not'
Benchmark and Disclosure Principle 1: Liquidity (see further RG 45.34 – RG 45.41 for the Benchmark Disclosure Principal)	This benchmark is met.	<p>The Fund Manager prepares cash flow estimates that demonstrate the Sub-Trust's capacity to meet expenses, liabilities and other cash flow needs for the next 12 months, which are updated to reflect any material changes and approved by the Responsible Entity at least every 3 months.</p> <p>Cash flow estimates will be prepared on the basis of the assumption that there will be no inflows from new applications and withdrawal requests will be made and processed as can be reasonably expected by the Fund Manager. There is a limited right to make a Withdrawal Request prior to the project in the Sub-Trust being completed and the Sub-Trust being wound up.</p>
Benchmark and Disclosure Principle 2: Scheme Borrowing (see further RG 45.42 – RG 45.43 for the Benchmark Disclosure Principal)	This benchmark is met.	The Responsible Entity will not borrow on behalf of the Sub-Trust.
Benchmark and Disclosure Principle 3: Portfolio diversification (see further RG 45.44 – RG 45.46 for the Benchmark Disclosure Principal)	This benchmark is not met.	Each Sub-Trust invests in a particular property or project for development. Details of the project are set out in the SPDS issued in relation to the Sub-Trust. Investors can invest in one or more of the available projects by investing in more than one Sub-Trust, each held in its own particular Sub-Trust which might include a residential or commercially zoned property or might include a mortgage rather than a property investment.
Benchmark and Disclosure Principle 4: Related Party Transactions (see further RG 45.47 – RG 45.49 for the Benchmark Disclosure Principal)	This benchmark is not met.	<p>In a Debt Sub-Trust, the Responsible Entity will lend to the special purpose asset-owning entity which is a Related Party of the Fund Manager.</p> <p>The Responsible Entity maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest. The Responsible Entity also has a Conflicts of Interest Policy and Procedure that it will comply with and review on a regular basis.</p> <p>If required, the Responsible Entity will obtain consent from the members of the Fund in relation to related party transactions.</p>

<p>Benchmark and Disclosure Principle 5: Valuation Policy</p> <p>(see further RG 45.50 – RG 45.55 for the Benchmark Disclosure Principal)</p>	<p>This benchmark is met.</p>	<p>The Responsible Entity maintains and complies with a written valuation policy that requires:</p> <p>(a) a valuer to:</p> <ul style="list-style-type: none"> (i) be registered or licensed in the relevant state, territory or overseas jurisdiction in which the property is located (where a registration or licensing regime exists), or otherwise be a member of an appropriate professional body in that jurisdiction); and (ii) be independent; <p>(b) procedures to be followed for dealing with any conflicts of interest;</p> <p>(c) rotation and diversity of valuers;</p> <p>(d) in relation to security for a loan, an independent valuation to be obtained:</p> <ul style="list-style-type: none"> (i) before the loan is given; (ii) for a development property, on an ‘as is’ and ‘as if complete’ basis; (iii) for all other property on an ‘as is’ basis; and (iv) within two months after the directors of the Responsible Entity form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant. <p>Where development properties are valued on an ‘as if complete’ basis there is a risk that the valuation will not be accurately reflected in the valuation of the property when it is complete because the valuation is based on assumptions that may prove to be inaccurate including market conditions, interest rates, borrowing costs and actual costs of development.</p>
<p>Benchmark and Disclosure Principle 6: Lending Principles – Loan to Valuation Ratios</p> <p>(see further RG 45.56 – RG 45.60 for the Benchmark Disclosure Principal)</p>	<p>This benchmark is met.</p>	<p>The Fund Manager and Responsible Entity will ensure that:</p> <p>(a) where a loan is primarily for the purpose of property development – funds are provided to the borrower in stages based on independent evidence of the progress of development and the Fund does not lend more than 70% on the basis of the latest ‘as if complete’ valuation of property over which security is provided; and</p> <p>(b) where the loan is not for the purpose of property development, the Fund does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.</p> <p>The Loan-to-valuation ratio for each Sub-Trust will be set out in the relevant SPDS.</p>
<p>Benchmark and Disclosure Principle 7: Distribution Practices</p> <p>(see further RG 45.61 – RG 45.63 for the Benchmark Disclosure Principal)</p>	<p>This benchmark is met.</p>	<p>The Responsible Entity meets this benchmark because it will not pay distributions from Fund borrowings. It will pay returns on a quarterly basis from the Debt Sub-Trust.</p>
<p>Benchmark and Disclosure Principle 8: Withdrawal Arrangements</p> <p>(see further RG 45.64 – RG 45.71 for the Benchmark Disclosure Principal)</p>	<p>This benchmark is not met.</p>	<p>Members will not have a right to withdraw from a Sub-Trust before the Sub-Trust is terminated. The Responsible Entity has the discretion, but not the obligation to offer a limited right of withdrawal to Members who have held their Units for at least 12 months at the time of the offer. The Responsible Entity will consult with the Fund Manager in exercising this discretion. A Member wishing to accept the withdrawal offer can make a withdrawal request. The Responsible Entity has the discretion to accept or refuse a part of any withdrawal request. If the Responsible Entity accepts a withdrawal request, it will be required to pay the Member the withdrawal amount (less any withdrawal fees) to the Member within 21 days.</p>

6. How to Invest

Minimum Investment

The minimum initial investment in the Bentleigh Debt Sub-Trust (and the minimum holding) is \$50,000 and the minimum subsequent investment is \$25,000. The Fund Manager may, in its absolute discretion, reduce the minimum investment, the minimum holding or the subsequent minimum investment in the Trust.

Applications for Units

To initially invest in the Fund, investors must read the Fund PDS in its entirety and complete and sign the Application Form attached to the Fund PDS and return it to the Fund Manager at the address shown on the Application Form, together with all the information referred to on the Application Form.

To apply for Units in this Bentleigh Debt Sub-Trust, investors must also complete the Application Form attached to this SPDS and pay the Application Amount to the Responsible Entity. The Responsible Entity will retain the Application monies in an Applications account until it issues Debt Units in the Bentleigh Debt Sub-Trust to the investor.

The Fund Manager will send Unit Holders a confirmation of allotment of Debt Units

Withdrawal of Units

Investments in the Bentleigh Debt Sub-Trust are not able to be withdrawn as the Sub-trust will not be Liquid. However, the Responsible Entity has discretion to make a limited Withdrawal Offer to Unit Holders who have held their Debt Units for at least 12 months in accordance with the constitution and the requirements of Part 5C.6 of the Corporations Act where it is fair to all Unit Holders, and proposes to do so on an annual basis.

A Unit Holder wishing to accept the withdrawal offer can make a withdrawal request. The Responsible Entity has the discretion to accept or refuse a part of any withdrawal request. If the Responsible Entity accepts a withdrawal request, it will be required to pay the Unit Holder the withdrawal amount (less any withdrawal fees) to the Unit Holder within 21 days.

The Responsible Entity has been granted relief from ASIC to make a Withdrawal Offer to members of the Bentleigh Debt Sub-Trust when the Sub-Trust comes to an end.

Distributions

The Trust will pay income to investors on a quarterly basis as at the end of March, June, September and December.

Income distributions will be paid within 30 Business Days of the end of the quarter. You may elect to have your Distributions paid to your nominated bank account by completing the relevant section of the application form of the Fund.

If you withdraw your investment before the last day of the distribution period, you will receive your share of any accrued income as capital. Further, the entitlement to realised capital gains during the financial year ending 30 June will be distributed to unit holders in July. Investors in the Trust at year end will receive their share of realised capital gains irrespective of when they purchased the units in the Sub-Trust. This may give rise to a tax liability. We recommend you speak with a financial adviser or tax adviser to determine your own situation.

A distribution statement will be dispatched to all unit holders estimating the taxable income and available credits as soon as possible after the year-end. It is anticipated that the distribution statement will be available by 31 July of each year. A final tax statement will be issued by 30 September each year.

7. Glossary

The following terms have the following meanings in this document otherwise specified in this document

Application Form	Application form attached to the PDS and this SPDS.
Asset	An asset of the Fund including assets referable to the Sub-Trust.
ASIC	Australian Securities and Investments Commission.
Business Day	A day that banks are open for business in Melbourne other than Saturday or Sunday.
Constitution	Constitution of the Fund dated 10 March 2017.
Corporations Act	Corporations Act 2001 (Cth).
Custodian	AET Corporate Trust Pty Limited ACN 106 424 088.
Debt Sub-Trust	A Sub-Trust of the Fund holding an Asset that is a loan or mortgage.
Debt Units	Units in a Debt Sub-Trust.
Extraordinary Resolution	A resolution of Unit Holders of the Fund or a Trust of which the requisite notice under the Corporations Act has been given and that has been passed by at least 50% of the total votes that may be cast by Unit Holders entitled to vote on the resolution (including those who are not present in person or by proxy).
Fees	The Fees to which the Trustee is entitled to under the Constitution and as set out in Section 4.
Fund Manager	Hamilton-Chase Pty Ltd ACN 153 951 770.
Fund	Hamilton Chase Select Investment Fund ARSN 618 490 494.
PDS	The product disclosure statement dated 18 September 2018.
Related Party	Has the meaning given in s228 of the Corporations Act as amended by s601LA of the Corporations Act for registered managed investment schemes.
Responsible Entity	Melbourne Securities Corporation Limited ACN 160 326 545.
SPDS	This supplementary product disclosure statement.
Sub-Trust	A Sub-Trust for a particular investment created by the Responsible Entity under the Constitution or the Bentleigh Debt Sub-Trust depending on the context.
Website	www.hamiltonchase.com.au

Application Form

Hamilton-Chase Bentleigh Debt Sub-Trust of the
Hamilton-Chase Select Investment Fund ARSN 618 490 494
Melbourne Securities Corporation Ltd ACN 160 326 545 AFSL No. 428289

Section 1 – Investor Name

Individual

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Title (Mr, Mrs, etc)	Given Name in Full	Surname	Date of Birth

Joint Applicant (if applicable)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Title (Mr, Mrs, etc)	Given Name in Full	Surname	Date of Birth

Company or Responsible Entity Details

<input type="text"/>	<input type="text"/>
Company or Responsible Entity Name	ABN / ACN

<input type="text"/>
If Responsible Entity, name the relevant fund/trust

Section 2 – Investment Amount

<input type="text"/>
Dollar Amount

Item 3 - Client Execution Clause*

Individual or Joint Applicant

EXECUTED by

Client 1

<input type="text"/>
Name
<input type="text"/>
Signature

Client 2

<input type="text"/>
Name
<input type="text"/>
Signature

<input type="text"/>
Account Designation if required

Corporation / Responsible Entity

SIGNED by its authorised officer(s) for and on behalf of

<input type="text"/>	<input type="text"/>
Company Name	ABN

Director/Responsible Entity/Chief Executive Officer

<input type="text"/>
Name
<input type="text"/>
Signature

Director/Responsible Entity/Chief Executive Officer

<input type="text"/>
Name
<input type="text"/>
Signature

<input type="text"/>
Account Designation if required

CORPORATE DIRECTORY

Hamilton Chase

ACN 614 420 807
AFSL 454895 | ARSN 618 490 494

Registered Office

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