



FINEXIA

Product Disclosure Statement The Finexia Childcare Income Fund (The Fund)

This Product Disclosure Statement (PDS) is a summary of significant information about Finexia Childcare Income Fund (Fund). The information in this PDS is general information only and does not take into account your personal financial situation, needs or objectives. You should obtain financial advice tailored to your personal circumstances before making an investment decision. You can access a copy of the latest version of this PDS free of charge from our website www.finexia.com.au or by contacting us on 1300 886 103.

Finexia Childcare Income Fund:
ARSN: 658 543 625

Responsible Entity:
Finexia Securities Limited
ABN: 61 608 667 778
AFSL: 485760

Investment Manager:
Creative Capital Group Pty Ltd
ABN: 32 623 557 808
AR Number: 001299637



Welcome Letter

Dear Investor,
Finexia Securities Limited (ACN 608 667 778) AFSL 485760 (**Responsible Entity**) is pleased to invite you to invest in the Finexia Childcare Income Fund (Fund). Finexia Securities is a wholly owned subsidiary of ASX listed, Finexia Financial Group Limited (ASX:FNX).

Finexia is a specialist private credit provider with a strong funds and asset management capability. The experienced team at Finexia have many decades of experience in private credit, asset management, prime broking and equity markets. Our mission is to create, build and preserve value outcomes for all stakeholders through transparent, innovative and robust investment solutions.

The Fund is structured as registered managed investment scheme with an acute focus on providing funding solutions to the Early Learning sector in Australia. Under the Offer, the Responsible Entity is seeking to raise funds primarily to offer indirect exposure to the childcare industry by lending to experienced multi-site childcare businesses. Funding will be used to facilitate loans to the 'best of breed' childcare operators to acquire/fitout new/existing childcare businesses. These operating loans will provide select operators funding to grow in a strong decentralised industry with exceptional government support (as seen through the COVID lockdowns and recent Federal Budget expenditures).

Investors in the Fund will receive a return calculated as a margin over the reference rate. The Fund utilises the RBA Official Cash Rate as the reference rate. The current margin is 5.65% over the RBA Cash Rate (net of fees). When the RBA Cash Rate is adjusted, your investment return will also change. Investor returns are paid monthly in the form of a cash distribution.

Investors should read this Product Disclosure Statement (PDS) and consult your financial adviser, stockbroker, or other professional adviser to ensure the investment meets their objectives and risk profile.

This PDS includes:

- An overview of the investment
- The type of investment
- The term of the investment
- Risks associated with the investment
- The expected exit strategy and repayment of capital
- Any other key information to allow Investors to decide if the investment meets their investment objective and risk profile.

We look forward to investing with and assisting you to achieve your investment goals into the future.

Yours faithfully

A handwritten signature in orange ink that reads "Neil Sheather".

Neil Sheather

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Important Information

Product Disclosure Statement

The fund offered under this Product Disclosure Statement (PDS) is the Finexia Childcare Income Fund ARSN 658 543 625 (Fund).

The Fund is a registered managed investment scheme under the Act. Applicants may apply to invest at any time while this PDS is on issue and the Fund is open for investment.

This PDS is dated 28 March 2023. ASIC takes no responsibility for the contents of this PDS and expresses no view regarding the merits of the investment set out in this PDS.

No Investment Advice

This is an important document that needs your attention. The information contained in this PDS is not financial product advice. The information contained in this PDS is general information only and does not consider your investment objectives, financial situation, and particular needs. It is therefore important that you read this PDS in full before deciding whether to invest in the Fund and take into consideration your investment objectives, financial situation, and particular needs. You should also seek your own financial advice from a licensed adviser before investing.

Responsible Entity and issuer of this PDS

Finexia Securities Ltd (ACN 608 667 778, AFSL 485760) in its capacity as responsible entity of the Fund (**Responsible Entity** or **Finexia**) is the issuer of this PDS and the investment offered pursuant to this PDS. No other member of the Finexia group makes any statement or representation in this document.

In this PDS, 'we', 'us' and 'our' refer to Finexia and 'you' and 'your' refer to individual Investors, both as potential Investors reviewing this PDS and as existing Investors with a holding in the Fund, as the context requires.

Investment Manager

The Responsible Entity has appointed a 100% controlled related party, Creative Capital Group Pty Ltd (ACN 623 557 808) to act as manager of the Fund (**Investment Manager**).

Custodian and Custodian disclaimer

The Responsible Entity has appointed Perpetual Corporate Trust Limited (ABN 99 000 341 533) as the custodian of the Fund (**Custodian**). The Custodian's role is limited to holding the assets of the Fund as agent of the Responsible Entity. The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. The Custodian has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement. The Custodian makes no statement in this PDS and has not authorised or caused the issue of it.

Eligibility

This document can only be used by Investors receiving it (electronically or otherwise) in Australia. This PDS does not constitute and should not be construed as an offer, invitation, or recommendation by Finexia to apply for Units in the Fund in any state, country, or jurisdiction where such offer, invitation or recommendation may not be lawfully made. Units in the Fund are not intended to be offered or issued to US Persons as defined under Regulations of the US federal securities laws.

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Other than as permitted by law, investments in the Fund will only be accepted on receipt of an Application Form.

Disclaimer

An investment in Units in the Fund is not an investment in, or a deposit with or other liability of, the Responsible Entity and is subject to

investment and other risks such as possible delay in repayment and loss of income and capital invested. None of the Responsible Entity, the Manager, the Custodian or any of their respective directors, officers or associates gives any guarantee or assurance as to the performance of the Fund or the underlying assets of the Fund or the repayment of capital from the Fund or any particular rate of capital or income return from the Fund.

No Representations other than contained in this PDS

You should only rely on the information in this PDS when deciding whether to invest in the Fund. No person is authorised to give any information or to make any representation in connection with the Fund that is not contained in this PDS. Any information or representation not contained in this PDS may not be relied upon as having been authorised by the Responsible Entity in connection with the Fund.

This PDS is available in electronic format and can be accessed via our website www.finexia.com.au. If you receive it electronically, please ensure that you have received the entire PDS and the Application Form. If you are unsure whether the electronic document you have received is complete, please contact us on 1300 886 103. A printed copy is available free of charge.

Fund may be an Illiquid Investment

Applicants should understand the Fund may be an illiquid investment. As a result, a return of capital may only be possible where assets of the Fund are realised, sold, or an alternative liquidity strategy is implemented by the Trustee.

Updated Information

Information in this PDS may change from time to time. Information that has changed in relation to the Fund that is not materially adverse but which the Responsible Entity wishes to provide to Investors, will be made available on the Responsible Entity's website. A printed copy of any updated information will be available from the Responsible Entity free of charge upon request by calling Finexia. The Responsible Entity may issue a supplementary PDS or SPDS to supplement any relevant information not contained in this PDS, in accordance with its obligations under the Act. Any supplementary PDS or SPDS and updated information should be read together with this PDS or SPDS. A copy of any supplementary PDS or SPDS and other information regarding the Fund will be made available on the Fund's website and a printed copy will be available from the Responsible Entity free of charge upon request.

Forward Looking Statements

This PDS may contain forward looking statements which are subject to known and unknown risks, uncertainties, and other important factors that could cause the actual results, performance, or achievements of the Fund to be materially different from those expressed or implied in such forward looking statements. Past performance is not a reliable indicator of future performance.

Defined terms

Definitions of certain terms used in this PDS appear in the Glossary on page 23. References to currency are to Australian currency unless otherwise specified, and references to times are Brisbane time unless otherwise specified.

Obtaining further information before deciding

Visit our website www.finexia.com.au/childcarefund/ regularly for further information about the Trust, including continuous disclosure and Fund updates.

This PDS supersedes all previous PDS's issued for the Fund. No investments will be accepted based on this document once it is replaced by a later PDS. Investors who invested in the Fund under a previous PDS should read this PDS in full to ensure that this Fund continues to meet their investment objectives

Key Features of the Fund

This Product Disclosure Statement (**PDS**) is issued by Finexia Securities Limited (ABN: 608 667 778, AFSL: 485760) under the Finexia Childcare Income Fund ARSN 658 543 625.

The PDS relates specifically to the Fund known as The Childcare Income Fund. The Fund aims to provide Investors with a stable and secure income by offering indirect exposure to the childcare industry via the provision of credit (secured loans) to specific 'qualified' childcare operators.

The Fund will raise money from Investors, thereafter, with that capital, arrange, facilitate and manage secured loans to qualified childcare centre operators through Finexia's wholly owned subsidiary Creative Capital Group Pty Ltd ('**Creative Capital Group**'). Creative Capital Group will arrange loan and finance facilities to various experienced 'qualified' childcare centre operators (Borrowers). Ultimately, loans will be made to a variety of childcare businesses, with agreements and covenants in place including supporting security. The Fund will have recourse over the Borrower, relying on its loan agreements and the related security.

The information in the table below provides a snapshot of the Fund as at the date of this PDS. Please read the PDS and seek any professional advice you need before deciding to invest.

Item	Description
Targeted Return	Investors in the Fund will receive a return calculated as a margin over the reference rate. The Fund utilises the RBA Official Cash Rate as the reference rate. The current margin is 5.65% over the RBA Cash Rate (net of fees). When the RBA Cash Rate is adjusted, your investment return will also change. Investor returns are paid monthly in the form of a cash distribution.
Distributions	Where applicable, distributions are generally paid on the third Friday after each month-end. If the Friday is a public holiday, it will be paid on the next business day.
Investment Manager and Arranger	Creative Capital Group Pty Ltd (ABN 32 623 557 808)
Custodian	Perpetual Corporate Trust Limited (ACN 000 341 533) an independent specialist custodian, will act as Custodian of the Fund. A wholly owned subsidiary of ASX listed firm Perpetual Limited (PPT)
Responsible Entity	Finexia Securities Limited (ACN 608 667 778), AFSL 485760, the responsible entity of the Finexia Childcare Income Fund ARSN 658 543 625.
This Offer	This Offer is for ordinary Units in the Fund. These Units are entitled to the assets and income of the Fund.
Investment strategy	To offer indirect exposure to the childcare industry by investing in secured commercial loan facilities provided to skilled experienced childcare centre operators. The loans provided by the Fund will principally be used by the borrower (childcare centre operator) to purchase or establish childcare centres throughout Australia. Freehold childcare centre loans will be considered should they meet the criteria.
Fund Structure	The Fund is structured as unit trust with its own Constitution. This Offer is for ordinary units in the Fund. Unitholders are entitled to the assets and income of the Fund.
Assets of the Fund	The assets of the Fund will include: <ul style="list-style-type: none"> - Bank accounts and any cash in the bank account. - Loan agreements between the Fund and childcare centre operators.
Security supporting Loans	The Fund will provide loans to qualified childcare operators, typically taking supporting security as set out below: <ul style="list-style-type: none"> - 1st mortgage over the lease for childcare centre - Right of entry deed from the lessor - General Security Agreement (GSA) over Borrowing entity, generally being the operator of the given childcare centre - Personal guarantee from director(s), the key sponsor and/or Head Entity as appropriate. - Insurance to note the interest of the Fund <p>Where the centre is freehold operating childcare centre a 1st mortgage over the operating property will be taken.</p>
Fund withdrawals	Given the illiquid nature of the underlying investments and assets of the Fund, the Investment Manager will approve redemption requests at its discretion. The Fund will endeavour to maintain sufficient liquidity to meet such requests.
Fund diversification	An investment in the Fund provides less diversification when compared to other 'pooled' style investments. The Fund is primarily exposed to one sector, that being, childcare centre operations.
Unit issue price	The initial issue of Units will be at \$1.00 per Unit. This price will be fixed at \$1.00 per Unit for a period determined by the Responsible Entity as appropriate for the circumstances of the Fund, after which the Unit price will reflect the Net Asset Value (NAV) per Unit.
Investment Amounts	
Minimum investment	\$5,000
Minimum additional investment	\$1,000
Important Dates	
Offer open	The date of this PDS
Offer close	There is no Offer Closing date as the Fund is an 'open ended' fund that remains open for investment.
Other Fund information	
Fund borrowings	The Fund does not currently have any borrowings. The fund may consider engaging wholesale funding partners which will aid in managing the liquidity of the fund and timing of loan funding, capital allocation and redemptions.
Related party information	All transactions, including those with related parties, are conducted on commercial terms and conditions, on an arm's length basis.

Item	Description
Cooling off	Generally, a 14-day 'Cooling-Off' period applies. This right is not available to Wholesale Investors.
Investors	This Offer is open to both retail and wholesale Investors.
Management Costs	Fees and other management costs may apply to this investment, and you should read the Fees and Other Costs section for full details. Finexia and its related parties are entitled to be paid ongoing management fees for its role in managing the Fund. Fees and management costs are such that Investors are only ever entitled to the Targeted Return.
Risks	An investment in the Fund is subject to general investment risks and the specific risks of investing. Refer to Risk Section on page 18.
Reporting and investor communications	Investors will receive the following information regarding their Fund investment. <ul style="list-style-type: none"> • Receipt of funds notification; • Annual tax statement; • Annual periodic (transaction) statement; and • Annual financial report (if requested).
Access to current information	You can obtain up to date information in relation to the Fund's performance, continuous disclosure material and other information about the Fund or Finexia at www.finexia.com.au . This includes any updates on this PDS.

About the Fund

The Fund is a registered managed investment scheme, also known as a 'managed fund'. Investors are entitled to participate in the Fund in accordance with the provisions of the Constitution of the Fund, the Corporations Act, and any other applicable law. Investors do not have the right to participate in the day-to-day management or operation of the Fund.

Investment Overview

This opportunity is structured to offer Investors indirect exposure to the childcare industry within Australia. The investment relates to the provision of secured credit (loans) for established childcare operators to purchase new leasehold centres or as key money to set up new centres and trade up to full operation and occupancy. Freehold childcare operators and owners will be considered should it meet the investment manager's investment criteria. Existing multi-site operators are targeted as potential Borrowers, providing supporting capital income through the start-up and trade-up phases of the new centre.

The Fund is structured to offer exposure to the childcare industry and as such the investment outcomes, including the rate of return, duration of investment and capital security of funds invested are highly exposed to this sector of the Australian economy.

Fund income and distribution payments

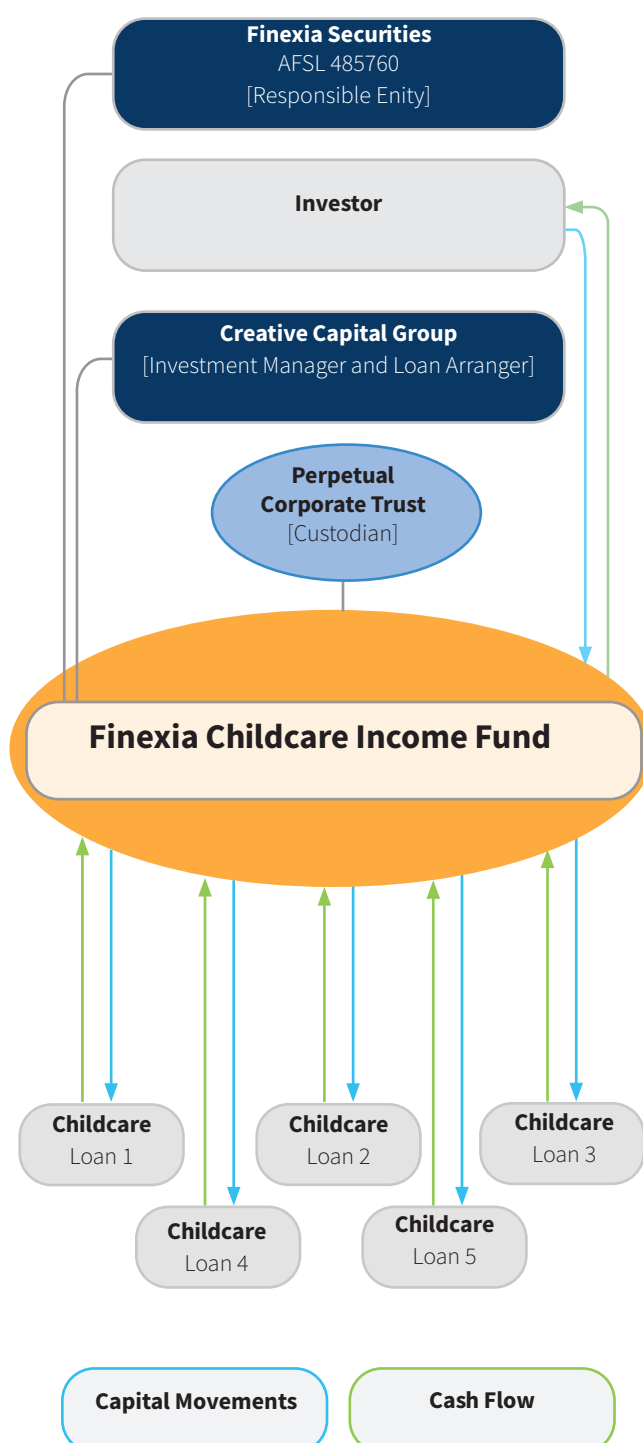
The Fund is targeting a return of up to 5.65% per annum (net of fees) above the RBA Cash Rate. Income is distributed to investors monthly in arrears in the form of cash or reinvested as additional Units (at each investor's election). Distributions are paid to your nominated Australian bank account.

No Guarantee

There is no guarantee of the repayment of capital or income to any Investors. There is a risk that you may lose some or all of the funds that you invest.

Finexia Childcare Income Fund

The Finexia Childcare Income Fund is an investment opportunity. To be able to invest in this Offer you must complete the investor application form (Finexia Childcare Income Fund). The Fund is a unitised structure with investors being issued units in the Fund. Below is a schematic detailing the Fund's structure and investment process.



How to invest

There are three steps to make an investment if you are an existing Fund Investor.

1. Read this PDS and consider the offer.
2. Complete and lodge the Application Form for Units attached to this PDS

Step 1 – Read PDS document and consider the offer

You should read this PDS in full, before deciding whether to invest in this Offer. Pay particular attention to the risks set out in the Risks Section page 18 and other information concerning the investment, the Fund, and its assets. The risks need to be considered with your particular investment objectives, financial situation, and needs. You should seek your own financial advice from a licensed adviser before investing.

Step 2 – Complete the PDS Application Form

To make an investment, please complete the Application Form available online at <https://investor.finexia.com.au/py/sys.pyc?app=F278>. Please take care to ensure that you complete the Application Form correctly and return it together with documentation required. All new and additional investments into the Fund are made into the Fund's Australian Bank Account.

Variation the Fund's Investment

We may issue a new or Supplementary Product Disclosure Statement (SPDS) to Investors if the terms of the investment are materially different or change.

Minimum investment amount

The minimum investment into the Fund is \$5,000. You can invest in multiples of \$1,000 increments above the minimum initial investment. Finexia reserves the right to reject any, or to allocate a lesser number of units than applied for by the Investor. If this occurs, then any application monies not accepted will be returned to the investor.

Adding to your investment

You can apply for additional units in the Fund at any time. The Investment Manager reserves the right to decline any application at their sole discretion.

Cooling off period

A 14-day cooling off period applies to your initial investment into the Fund. The 14-day cooling off period starts on the earlier of:

- the date you receive your initial investment transaction statement; or
- five business days after the Units in the Fund have been issued to you.

If you wish to cancel your investment, it is important that you contact us before the expiration of this period.

If you are an Investor who qualifies as a "wholesale client" as defined in the Corporations Act 2001, the cooling off period is not available to you. If you are investing through a masterfund or IDPS the Trust's cooling off rights will not be available to you. You should consult the operator in relation to cooling off rights that may apply.

Redemption from the Fund

Given the illiquid nature of the underlying investments and assets of the Fund, the Investment Manager will approve redemption requests at its discretion. The Fund will endeavour to maintain sufficient liquidity to meet such requests.

Investors who wish to redeem all or part of their investment should provide notice of their request by completing and signing a Redemption Form and lodging it with Finexia. The Investment Manager will review the liquidity position of the fund and decide at its sole discretion if the redemption can be processed partially or in full. If a redemption from the Fund is approved, you may withdraw your funds by providing us with five business days' written notice.

Distributions

Timing of distribution payments

The Fund is targeting monthly distributions paid in arrears. Payments will generally be made on the third Friday of the month.

Distributions are paid directly to your nominated bank account held at an Australian financial institution, or you may elect to reinvest distributions into additional Units.

Distribution Reinvestment

If you elect to reinvest distributions, your distributions will be applied to purchase additional Units. Units will be allocated at the prevailing unit price and no discount will apply.

Source of distributions

In calculating distributions, Finexia may, in its discretion, include in income any amount of management fees to which it is entitled but wishes to waive or defer for the period, in order to achieve a particular rate of return. This may also include any income attributable to Finexia by way of being a unit holder or investor in the Fund.

Finexia and its controlled entities may at its discretion choose forbearance of its fees or distribution in any given period. Any such decision will be based on Finexia's analysis of the Fund's financial position, including the current market conditions, anticipated investment income, the Fund's liquidity needs, and the total fees and costs accrued during the relevant period.

Transferring Units

Units may be transferred in accordance with the provisions of the Constitution. A transfer of Units must be in writing, signed by both the seller and the buyer and transfer duty paid (if applicable) before it is given to Finexia.

Transferring Units may have tax implications and Investors should consult their taxation adviser before they arrange any transfer of Units. It is the Investor's responsibility to ensure that any applicable stamp duty is paid. Finexia is released and indemnified from, and against all liability, which may be suffered by any Investor or by Finexia, or brought against Finexia in respect of any acts or omission of Investors in this regard, whether authorised by any Investor or not.

Reporting

Details about the reporting and communications we provide you are set out at www.finexia.com.au. Upon becoming a member of the Fund, you will be provided with an acknowledgement letter confirming receipt of application money and the number of units issued.

Other reporting will generally be via the website and email and will include the following:

- Monthly distribution statements;
- an annual statement of taxable income, providing a summary of distributions earned for inclusion in the Investor's income tax return;
- annual periodic statement, which details all transactions on each Investor's account, together with balances on the number of units held in the Fund;
- annual financial report of the Fund in accordance with regulatory requirements, if requested; and
- Periodic fund updates

If you do not have an email address or access to the internet to receive this information, then please contact Finexia to update your communication preferences.

The Fund is structured to offer exposure to the childcare industry and as such the investment outcomes, including the rate of return, duration of investment and capital security of funds invested are isolated to this Fund.

Finexia Childcare Income Fund

Fund Assets

The Fund will offer secured loans exclusively to experienced operators of childcare businesses, specifically leasehold childcare centres. Security for these Loans will consist of a registered first mortgage over the leasehold childcare centres. Funding is aimed at experienced operators with multiple childcare centres in strategically positioned locations across Australia.

Loans will only be advanced where it can be secured by registered first mortgages over the leasehold property. However, other funds managed by Finexia may make a Loan to the same Borrower. The Investment Manager may also consider opportunities to advance Loans jointly with other entities (Co-lenders). Co-lenders may or may not be associated with Finexia or the Fund. In such circumstance, it is anticipated that the Fund and Co-lender will be joint lenders with the Loan secured by a joint first mortgage.

Overview of the Loans the Fund will Offer

The Loans are designed to provide experienced and well capitalised existing operators of childcare centres with a loan facility that allows them to open and then trade-up to a point where the occupancy and cash flows are stable and sufficient for it to reach an appropriate valuation. At this point the Loan would generally be refinanced by a traditional Bank financier.

The product is designed to replicate and largely replace loans that were traditionally provided by major Australian Banks. These loans have become harder to obtain covering the trade up period, at commercial gearing levels with the speed and simplicity of the Finexia offering.

The Loan term on each centre is typically 12 months at initial funding, as this is generally considered by valuers to the childcare industry as the industry accepted stabilisation period in ordinary circumstances. A childcare centre is generally considered to be stabilised when at least 85% of all places within a single centre are filled for a period of three months.

Typical characteristics include:

- A single Loan that provides end-to-end funding to open and trade up a childcare centre. Covers all operational and soft costs from lease execution to a traded-up/stabilised asset.
- Operators with more than 10 existing operating centres will be the target market. Their existing portfolio of assets will generate sufficient free cash to meet contingencies.
- Operators with recent experience in successfully opening and trading up of an appropriate volume of centres will be the target market.
- Operators personal and business financial position will need to be appropriate for the level of exposure of the Borrower.
- A Loan to Valuation Ratio (LVR) typically not more than 70%, on an acceptable stabilised occupancy valuation figure. The LVR may be achieved by taking additional security over existing stabilised and operating childcare centres giving a pooled LVR.
- Interest on the Loan will typically be capitalised for the initial 12-month Loan period. Hence, no repayments will be required for the trade-up period.
- Loan Term 12 to 60 months and extendable as required with interest payable monthly in arrears.
- Security to the operational childcare business, and
- Recourse to Director(s) key sponsor(s) via Personal Guarantees.

Fund Investment Criteria

Each Loan provided to childcare centre operators will be assessed on its merits and generally be in line with the following parameters & criteria:

1. Client will have experience in start-up of childcare centres previously and generally have opened and / or operated a minimum of 5 centres previously.

2. Client will have a minimum of 5 years' experience in the childcare industry specifically in centre opening an operation.
3. Client will have multiple centres to support income (Min. 3 operating centres)
4. Client will have sufficient balance sheet to support the Loan.
5. Client will have a solid existing banking relationship and support for takeout residual finance on trade up (or ability to cover shortfall as appropriate).
6. Centre will have strong demographics to support trade up with sustainable occupancy greater than 80%.
7. Centre will generally have a minimum of 60 licensed places upon opening, unless the funded centre forms part of a wider portfolio where a small centre will be considered.
8. Client will have a clear exit strategy for any loan which will generally include refinancing, sale of the business or clearance from proceeds of sale of other assets.

Loan Assessment Criteria

Given the Fund is established to lend to childcare centre operators, minimum lending benchmarks have been established for the Fund for each proposed Loan. The Investment Manager Creative Capital Group Pty Ltd will undertake a detailed credit analysis before any Loan is provided and each Loan will be signed off by the Investment Committee before any funds are dispersed. Assessment criteria will utilise the following general guidelines:

a. Loan Term

Each individual Loan proposed will generally be for a minimum of 12 months and a maximum of 60 months. An additional assessment can occur at Loan maturity to consider exit strategy options or extension of the Loan term. This assessment may include seeking updated valuations and initial assessment criteria revisited. Loans may be incepted at different points in time.

b. Demographics

Analysis of each new centre requiring funding will be completed. Assessment is to encompass (within the prevailing catchment):

- Number of children under 5 years of age;
- Average income of area residents – SEIFA 3+ (Socio-Economic Indexes for Areas) <https://www.abs.gov.au/websitedbs/censushome.nsf/home/seifa>
- Number and places available in competing centres
- Condition of competing centres (i.e., it is acknowledged that a new state of the art centre with modern amenities is far more attractive to parents than a tired and ill maintained centre)
- Proximity to schooling
- Parking and accessibility.

Valuer or demographer to confirm.

c. Borrower Experience

Each proposed Borrower will need to have 3 x existing centres and have experience taking new centres through trade up previously. Finexia understands the complex manner of the industry and only wants to fund well credentialed professionals with long standing experience.

d. Cashflow

Borrowers will require a sufficient current income to cover current commitments plus new proposed funds.

e. Valuation Policy

In relation to valuations, all Loans will require:

- A valuer from an appropriate professional body to complete a valuation for 1st mortgage purposes on an “as if complete” “stabilised” basis.
- Be provided by an independent valuer
- A fully executed arm's length contract of purchase may be accepted for a new business acquisition.

- Valuations will be sought at the earlier of; every 3 years or within 2 months of any perceived decline in value, at the Investment Manager's discretion.

f. Security

The Fund will require security to be held to support each Loan. Supporting security typically includes:

- 1st mortgage over registered lease for childcare centre.
- Where the centre is a freehold operating childcare centre, 1st mortgage over the operating property will be taken.
- General Security Agreement (**GSA**) over childcare centre.
- Guarantee from director(s), key sponsor and/or Head Entity as appropriate.
- Minimum remaining lease is to be 5 years post proposed Loan expiry.
- Insurance to note the interest of the Fund.

(Plus any additional supporting security as deemed appropriate).

g. Minimum & Maximum places available

Childcare centres are to have a minimum of 60 licensed places to a maximum of 250 licenced places. The Investment Manager will consider Centres below 60 places, in certain circumstances. Typically this would be considered when part of a larger portfolio of Childcare Centres.

The Investment Manager

Finexia Securities Limited in its capacity as Responsible Entity (RE) has appointed specialist private debt firm, Creative Capital Group Pty Ltd (ACN 623 557 808). Creative Capital Group Pty Ltd is a wholly owned subsidiary of Finexia Financial Group Limited (FNX:ASX) and is deemed a related party.

The Investment Manager has extensive experience in debt financing, debt structuring and loan management within the childcare sector. The investment management team at Creative Capital Group Pty Ltd have a breadth of banking, financing and funds management experience in providing innovative financing solutions to meet the capital needs of businesses. Identifying suitable opportunities to build wealth for investors is their primary role in the operation of the Finexia Childcare Income Fund.

Fees and other Costs

Consumer advisory warning

The below warning is prescribed for inclusion in product disclosure statement and aims to alert Investors to the importance of value for money, and the compounding value of fees and costs as well as their impact over time on ultimate benefits. The example given is not intended to represent an investment in this Fund. For a description of the fees and costs charged by this Fund, please read this section in full.

FINEXIA CHILDCARE INCOME FUND

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Ongoing annual fees and costs		
Management fees and costs – The fees and costs for managing your investment	Interest margin is a variable fee determined by the interest paid under each Loan incepted by the Fund. Factors such as counterparty risk (among other factors) will generally determine the applicable interest margin And Indirect costs in the form of Borrower fees received from Borrowers in relation to Loans. The Borrower fees applicable will vary depending on a number of factors including the counterparty to any loan	The interest margin fee is paid monthly in arrears by the Borrowers as and when interest payments are received by the Fund. The interest margin fee is not payable from your investment in the Fund and is payable out of interest payments made by the Borrowers. These fees are charged to and paid by the Borrower and may be charged prior to, at the establishment of, or during the term of a Loan. Borrower fees are paid directly by Borrowers to the Investment Manager where applicable and are not payable from your investment in the Fund. The precise amount of Borrower fees varies for each Loan depending on the terms negotiated by the Investment Manager and the Borrower in relation to each Loan.
Performance fees – Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
Transaction costs – The costs incurred by the scheme when buying or selling assets	Nil	Not applicable
Member activity related fees and costs (fees for services or when your money moves in or out of the 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

Buy-sell spread – An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	Not applicable
Withdrawal fee – The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee – The fee to close your investment	Nil	Not applicable
Switching fee – The fee for changing investment options	Nil	Not applicable

Example of Annual Fees and Costs

The table below is a mandated regulatory requirement and aims to provide an example of how the fees and costs of the Fund can affect an investment over a one-year period. Investors should use this table to compare an investment in the Fund with other managed investment products. Fees and costs described are inclusive of GST and less any RITCs.

EXAMPLE – FINEXIA CHILDCARE INCOME FUND		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.00
PLUS Management fees and costs	Interest margin fee and Borrower costs*	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$0.00 each year
PLUS Performance fees	Nil	And , you will be charged or have deducted from your investment \$0.00 in performance fees each year
PLUS Transaction costs	Nil	And , you will be charged or have deducted from your investment \$0.00 in transaction costs.
EQUALS the Cost of investing in the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged NIL fees and Additional Costs

*The interest margin fee and Borrower costs are shown as having no effect on your investment as an Investor is only ever entitled to the Targeted Return (refer 'Key Features of the Fund on page 5)

Fund operating expenses

Normal operating expenses are those incurred in the day-to-day operation of the Fund. These include:

- custodian fees;
- accounting, audit and tax agent fees; and
- Investor communication and reporting, postage and other Fund administration expenses.

During the life of this PDS the Investment Manager, Creative Capital Group Pty Ltd may choose to pay normal operating expenses out of its own resources including from the fees it earns. However, Investors should be aware that if the Investment Manager or the Responsible Entity is unable to meet these expenses, the amounts due to any person (other than the Responsible Entity) may still be payable out of the assets of the Fund (pursuant to the rights of reimbursement and repayment in the Fund Constitution).

Additional explanation of fees and costs

Management fees and costs

Management fees and costs are not generally payable directly from your investment in the ordinary Units in the Fund. Rather these fees and costs are collected by the Investment Manager directly from Borrowers. Management fees and costs can be broadly categorised as Interest Margin Fees and Borrower Fees.

I. Interest Margin Fee

The interest margin fee is a fee paid to the Investment Manager for managing the Loans made to Borrowers by the Fund. This fee is not deducted directly from your investment but is deducted from the gross amount of interest payments made by Borrowers and received by the Fund or Investment Manager (as applicable) in relation to Loans to which your investment has

been allocated. The Investment Manager accrues the interest margin fee, and this is generally paid monthly in arrears to the Investment Manager as and when interest payments are received from Borrowers.

The Investment Manager is entitled to receive an interest margin fee based on the gross interest paid under each Loan incepted by the Fund, and as at the date of this PDS, the Investment Manager intends that the interest margin fee will be any interest received in excess of the return for the Fund.

II. Borrower Fees

The Investment Manager may receive amounts which are charged to and paid by Borrowers in relation to Loans to which your investment has been allocated. These amounts may not be passed on as income to you but received by the Investment Manager on its own account. The exact amount of these fees as they relate to your investment will vary according to the terms of each Loan as negotiated between the Investment Manager and the Borrower.

The Borrower Fees may be comprised of any or all of the following types of fees charged to Borrowers:

- Capital raising fee
- Advisory fee
- Management fee
- Mandate fee
- Interest
- Interest margin
- Establishment Fees
- Line Fees
- Limit Fees

- Commitment fees
- Default fees
- Default Interest

In the event a Borrower defaults on a Loan, the Investment Manager may also be entitled to additional Borrower Fees, including a default management fee. Generally, the interest rate payable by a Borrower would be subject to an increase in the event of a default, in which case the Investment Manager would be entitled to a portion of additional interest received in accordance with its entitlement to the interest margin fee.

Risks

This section identifies some of the major risks associated with this investment. Prospective Investors should read the whole of this PDS to fully understand such risks. In the case of this investment, the following considerations generally apply to most Investors.

These comments are intended as a guide only and are not an exhaustive list. Finexia recommends that Investors seek professional financial advice before making any investment.

1- Introduction to Risk

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

You will need to determine how much risk you are able or willing to tolerate. The main risks of investing include a decrease in the value of your investment, a fluctuation, or a decrease in the amount of income generated from the investment, or a lower-than-expected rate of return.

This investment is not guaranteed or otherwise supported by Finexia, the Investment Manager, or any of their respective directors or any other party associated with the preparation of this PDS. You should consider this when assessing the suitability of the investment and particular aspects of risk. You should also note that investments in the Fund are not bank deposits and are not government guaranteed.

How we manage Risk?

We are unable to eliminate all investment risks, but we do analyse, manage, and aim to reduce the impact of risks using carefully considered investment guidelines and investment approval processes consistent with our active management approach.

It is important for you to understand that:

- the value of investments can vary;
- investment returns vary and future returns may be different to past returns: past performance is not an accurate predictor of future performance;
- income returns and the capital value of your investment are not guaranteed and there is always the chance that you will not receive income distributions or that you may lose money on any investment you make;
- laws affecting your investment in a managed investment scheme may change over time; and
- the appropriate level of risk for you will depend on a range of factors including your age, investment timeframe, where other parts of your wealth are invested, your overall investment portfolio and how tolerant you are to the possibility of loss of or delay in the return of or access to your investment.

How can you manage your Risk?

In managing your risk, we recommend that you:

- Seek your own professional advice to help you understand how your current financial situation and your investment objectives affect the selection of investments that you can make;
- Consider your investment timeframe, your investment objectives,

and your risk tolerance; and

- diversify your investments to help reduce risk and the volatility of investment returns of your portfolio.

2- General investment Risks

There are several general risks that are common to most investments and most investors. These include the following, in the context of the Fund:

Capital Risk

Few investments guarantee the maintenance of capital invested. This Fund is no different and the underlying investment of the Fund can reduce in value then you may suffer a capital loss.

Diversification Risk

Generally, diversification means reducing investment risk by investing in a variety of assets. Although investing in a specific Fund does not in itself provide diversification, greater diversification may be achieved by investing in a Fund as part of a broader investment portfolio. Alternatively, some diversification may be achieved by investing in several funds which have a low correlation to each other.

Income distribution rate Risk

As with other investments, income distributions to Investors may be volatile as they depend upon the return that the Fund receives from its investments. Income distributions are not guaranteed.

Interest rate Risk

Changes in interest rates can have a negative impact, both direct and indirect, on the value and returns of investments. Interest rate risk occurs for a variety of reasons including inflation, economic activity, and the Reserve Bank of Australia interest rate decisions.

Investment environment Risks

Changes to the regulatory environment relating to financial services, taxation and other regimes may adversely affect Investors in the Fund. Government policies can affect the Fund in several ways that could be detrimental or beneficial to Investors in the Fund. Similarly, changes in the health or social environment can impact the Fund and cause short term or long-term market disruption to investments made by the Fund that would be detrimental to Investors in the Fund.

There can be no guarantee that investor confidence in credit investments will not change in a manner adverse to Investors in the Fund. The general economic, health, social and political climates in which the Fund operates, or other like events are outside the control of Finexia.

Liquidity Risk

Many investments carry a risk that there may be insufficient liquidity to enable Investors to redeem or otherwise realise their investment. In the context of the Fund, redemptions are available, however, the Fund is considered highly illiquid and redemptions are at the sole discretion of the Investment Manager.

Market Risk

Markets can go up and down. Market conditions are influenced by a variety of factors including economic, technological, social, political, taxation, legal or regulatory factors, as well as general changes in market sentiment. These may have a negative impact on returns.

Operations Risk

Operational risk relevant to the Fund and Finexia includes system failures, the risk of errors, fraud or other criminal activity, day to day events within the childcare centres (i.e. a child left on a bus) and events that might disrupt the normal course of operating the Fund and may lead to delays, or at worst, failures in respect of functions that Investors rely on. This includes any such failures by Finexia in its capacity as the responsible entity, its related service providers and third parties. It also includes the risk associated with Finexia's reliance on the effective operation and security of a number of computing and systems processes. It manages these risks by having appropriate systems and controls in place and by utilising experienced external service providers.

3- Risks specific to the Fund

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
- International market conditions.
- Removal of Government support to childcare industry.

Default may result in the delay or 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.

If a Borrower was to default, the Fund Trustee would most likely seek to appoint a specialist receiver and manager to operate the childcare centre business if possible and/or effect a sale. The fees of such a specialist would be a cost to the Fund.

In the event of a Borrower default where a Loan has been advanced jointly with a Co-lender, there is a risk that the Fund and Co-lender disagree as to the proper administration of such default.

Consultancy services Risk

The Fund is dependent upon its consultants 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 Finexia and may be affected by factors completely outside its control.

Credit Risk – Single counterparty

Credit risk is relevant in that the Fund could suffer a loss because of the specific childcare operator's businesses. Specifically, the Borrower may default under the Loan agreement and the full loan amount may not be recovered.

Diversification risk Counterparty Concentration

At any time the Fund's portfolio will be invested in loans to medium-to-large corporate entities which may be see a level of concentration to particular groups.

Diversification risk is relevant in that the Fund could suffer a loss because of the risk associated with default of one or more Borrowers' childcare operations. Specifically, the Borrower may default under the loan agreement and the full Loan amount may not be recovered. **There is little diversification in the Fund.**

Ultimately, the ability of the Borrower to repay the Loan is dependent on the continued success of its business operations.

Documentation Risk

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

Illiquid nature of underlying assets

The Fund's main assets are commercial secured loan agreements to each Borrower, which are highly illiquid. Your investment is therefore categorised as illiquid and redemptions may not be available. There is no secondary market for the units in the Fund.

Insurance Risk

There is a risk that a Borrower from the Fund may fail to effect correct insurance to cover their operations. This insurance could turn out to 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.

Litigation Risk

This is the risk that any lender faces when it takes legal action to enforce its rights under the loan agreement. 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 Finexia is under no obligation to

pursue further recovery action after the security (if any) is realised.

Related party Risk

Finexia has appointed Creative Capital Group Pty Ltd (ACN 623 557 808), a related party to act as the Investment Manager. The costs of the Investment Manager are met by fees it receives from the Borrower and therefore do not represent an additional cost to the Fund. From time-to-time other service providers may be appointed in respect of the Fund. The key risk with related party transactions is usually that, because of the relationship, an entity may fail to sufficiently monitor and review the service provider's performance and compliance with its obligations to the detriment of Investors. Finexia has a process relating to conflicts of interest and related party transactions and Finexia manages the arrangements in accordance with its policies.

The Responsible Entity and the Investment Manager may from time-to-time face conflicts between its duties to the Fund as responsible entity/trustee and investment manager respectively, its duties to other funds that it manages and its own interests, including in respect of other dealings with the Fund. The Responsible Entity and the Investment Manager will manage any conflicts in accordance with its conflicts of interest policy if relevant, the Constitution, ASIC regulatory guide and the law.

The Responsible Entity and the Investment Manager may from time-to-time enter transactions on behalf of the Fund with related entities. All transactions will be affected at market rates or at no charge. Related parties of the Responsible Entity and Investment Manager may provide financial assistance to the Fund from time to time. Any such finance will be on commercial terms.

Given the fee structure of the Fund it might be considered that the Investment Manager is incentivised to enter into loans carrying a higher interest rate (and hence higher risk). This risk will be managed via the Investment Committee as described in this PDS.

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 any of the proposed exit strategies do not proceed on schedule or at all. Failure of Borrower to repay the Loan to the Fund will ultimately affect the ability to repay Investors their income and/capital. The Investment Manager reserves the right to recycle and reinvest Investor funds into provision of Loan term extensions.

Security Risk

The Loan will be secured by a General Security Agreement (GSA) over the Borrower, 1st registered mortgage over the leasehold security (with an appropriate Right of Entry Deed with the land owner) and a guarantee from the sponsor or corporate entity as dictated by house Bank covenants in most circumstances (i.e. the Bank generally restricts additional guarantees from the Head Entity meaning security may need to come from the Directors). Where funding is provided prior to the lease registration, the Investment Manager will ensure that a binding Agreement for Lease (AFL) and Right of Entry (ROE) Agreement are in place that will result in a registerable security interest in favour of the Fund. Should the Borrower default in repaying the Loan to the Fund it is quite possible that the assets over which the Fund has security will be insufficient to repay the Loan and interest. In particular, it is noteworthy that the Fund will not have significant security over tangible assets such as real property.

Structure Risk

This risk relates to the fact that someone else is managing your investment. Risks particular to the Fund include the risk that the Fund may not achieve its investment objectives, the Fund could be terminated, the fees and costs may change, Finexia could be replaced as the responsible entity, or its key personnel could change.

4- Risks specific to childcare Businesses

Childcare businesses are funded by a mix of individuals and government and offer services in the early education industry related to services to children enrolled. The Fund will lend to each childcare operator entity who will use those funds in their childcare businesses, meaning the Fund is directly exposed to the childcare industry.

Bank Debt Refinance Risk

The initial term of each Borrower's debt facilities is typically expected to be between 12 and 36 months, but may be as long as 60 months. Borrowers may not be able to extend the Loan term or refinance the debt facilities at maturity. An option for the Borrower to extend for a further term will be included where appropriate to partially mitigate this risk.

Contractual Risk

The Fund does not own the physical properties in its portfolio. The Fund's ongoing success depends on its ability to lend to entities engaged in delivering childcare services. The management and quality of the relationships with families and landlords is, therefore, important to secure the right to continue to operate its business at, and to generate revenue from, its properties.

The childcare lease arrangements may not be renewed by the property owners at the expiration of their term, or they may be unable to renegotiate the contractual arrangements on favourable terms. Existing contractual arrangements could be terminated by property owners before the end of their term (>10yrs).

There is a risk that individual families cease to use the Borrowers childcare services (or its representatives) as their education provider and loses the fees it would have received in relation to that child.

Diversification Risk - Geographical

Market risk may arise if the geographical region diversification is not high. The more diversified a childcare business portfolio is, the lower the risk generally that an adverse event affecting one business will simultaneously affect the overall group, and therefore put the overall portfolio at risk. The diversity of the childcare portfolio may change from time to time but at the time of this PDS it is heavily exposed to Southeast Queensland.

Childcare Operators / self-management

A major component of each childcare operator's income is dependent on having children attend their centre/s. Whilst there is a contractual obligation for each family, they only need 2 weeks written notice to leave. If the Borrower were to lose too many children from their centres, this would have an impact on profitability and the value of the childcare business/es.

Interest rates Risk

Each Borrower will likely have bank debt at the business asset level with assets outside the Fund. There is a risk that a debt facility or an interest rate hedge (i.e. fixing the interest rate) may not be available on the same terms upon extension or refinancing, or when new finance or hedging strategies are sought. There is also a risk that interest rates may rise. These risks may have a material, adverse impact on Borrowers activities, financial position, and the ability to make repayments which will affect Fund distributions. (This is mitigated by priority on income over each specific asset but is particularly prevalent when supporting income is required to service debt obligations).

Valuation Risk

The core business of each Borrower is exposed to the risks associated to the childcare industry, more specifically with a decrease in the value of the business. The ongoing value of the childcare assets are influenced by the economy and market conditions including

supply and demand that affect asset returns and values. There is no guarantee that the assets will achieve a capital gain on sale or that the value of the assets will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect.

The core business of each Borrower is exposed to the risks associated to the childcare industry, more specifically with a decrease in the value of a childcare business that forms part of the supporting security of a Loan.

Impacts may include:

- Investors, in the Fund, 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 childcare centre subsequently defaults on any of their Loans, then the capital repaid to Investors may be diminished.
- A fall in the value of the assets during the term of the Loan which may diminish capital repaid to Investors in the event that a Borrower defaults; and
- A movement in the market either nationally or locally which results in a decrease in demand for the underlying assets, making it difficult for the Borrower to achieve the proposed exits from the facility.

All the above may lead to an increase in the Loan-to-Value (LVR), which would then exceed the prudent LVR limits adopted by the senior debt providers and Investors may suffer a capital loss.

Management

Each Borrower (childcare centre) will be required to have had previous experience delivering a childcare centre from start up to fully operational as part of funding due diligence. Operators are expected to be best of breed and have exceptional depth to see all adversities countered and significant surplus cashflow to ensure distributions remain unaffected even in a difficult economic environment. Poor management is a risk to both servicing and capital value and as such is a key due diligence requirement of any funding.

Government Funding

In recent years it has never been more evident that bipartisan support of childcare funding exists through the political system. The Covid pandemic saw unprecedented support for childcare operators who otherwise may have seen difficulties supported to levels unprecedented in recent memory. Given these it appears unlikely that support would be withdrawn but it no doubt remains a risk however small.

This is evidenced by the recent announcement by the NSW Government support for the industry as well as the Child Care Industry being a key focus support area of the National Jobs Summit.

Pandemic Risk

Health pandemics could significantly affect the childcare centre businesses that the Fund lends to. Furthermore, the normal operations of financial markets and the operation of Finexia, its service providers and counterparties may be affected by a health pandemic.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

Glossary

Term	Definition
Adviser	A financial adviser who is licensed, or authorised, under an Australian financial services licence to provide you with personal advice, including about whether the Fund is suitable for your objectives, financial situation and needs.
Application Form	The online application portal provided by Finexia, or the form attached to or accompanying the PDS, to be used by persons wishing to apply to and be accepted as a member of the Fund.
ASIC	Australian Securities and Investments Commission.
Assets	Cash in Bank accounts and secured loan agreements provided by the Fund to Borrowers from time to time.
Borrower	A borrower from the Childcare Income Fund (typically a multi-site childcare operator).
Constitution	The constitution of the Finexia Childcare Income Fund as amended from time to time.
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Credit & Investment Committee	The investment committee of Creative Capital Group Pty Ltd (ABN: 32 623 557 808).
Custodian	Perpetual Corporate Trust Limited (ACN 000 341 533) which is appointed to act as external custodian of the Fund to hold the assets of the Fund.
Finexia or Finexia Securities	Finexia Securities Limited ACN 608 667 778, AFSL 485760 (also referred to as the Responsible Entity)
Fund	Finexia Childcare Income Fund ARSN 658 543 625. Investors under this Offer receive Ordinary Units in the Fund. Ordinary Units in the Fund are solely entitled to the assets and income of the Fund.
GSA	A general security agreement, which creates a security interest over a party's assets.
GST	Goods and Services Tax within the meaning of the GST Act.
GST Act	New Tax System (Goods and Services Tax Act) 1999.
Investment Referrer	An individual who is acknowledged (via the Application Form or other forms as required by Finexia) by the Investor or proposed Investor, as having introduced the Investor or proposed Investor to the Fund.
Investment Manager	Creative Capital Group Pty Ltd (ACN 623 557 808), a wholly owned subsidiary of Finexia Financial Group Limited.
Investor or you	An investor or a proposed investor in this Fund.
Loan	A loan entered into by the Fund to a Borrower.
LVR	Loan-to-valuation ratio (also referred to as a 'Lending to valuation' ratio). An LVR is one way used to assess the risk of a Loan.
Net Asset Value (NAV)	The total value of the Assets calculated in accordance with the Fund Constitution, less the Liabilities.
Offer	The offer in this PDS of Ordinary Units in the Fund. Ordinary Units in the Fund are solely entitled to the assets and income of the Fund.
PDS	This product disclosure statement issued by Finexia Securities Limited ACN 608 667 778, (AFSL 485760) for the Finexia Childcare Income Fund.
Responsible Entity	Finexia Securities Limited (ACN 608 667 778), AFSL 485760, the responsible entity of the Fund.
Redemption Form	A form that will be made available to an Investor to redeem their units from the Fund.
Reference Rate	The Reserve Bank of Australia Official Cash Rate (RBA Cash Rate)
Targeted Return	The return to Investors in the Fund being a margin over the Reference Rate. All Fund returns in excess of the Targeted Return are the entitlement of the Responsible Entity and Investment Manager, as being fees and cost reimbursements.
TFN	Tax File Number.
Trustee	Finexia Securities Limited (ABN 61 608 667 778) the trustee of this Fund. The Trustee is a wholly owned entity of the Responsible Entity.
Units	Ordinary Units in the Fund.
Unit holder	A registered owner of ordinary Units in the Fund (also referred to as an Investor).

This form is for dividend reinvestment plan application or variation in the Finexia Childcare Income Fund **ARSN 658 543 625**

It accompanies the [PDS](#) dated 28 March 2023.

Use this form if you are an existing investor wishing apply for dividend reinvestment plan application or variation.

Responsible Entity:
Finexia Securitites Limited
ABN 61 608 667 778 | AFSL 486760
Investment Manager:
Creative Capital Group Pty Ltd
ABN 32 623 557 808
All communications to:
fcif@finexia.com.au
www.finexia.com.au
1300 886 103

Account name (if a company, please provide full name and ABN/ACN/ARBN):

Finexia Account Number:

Registered Address:

A

DIVIDEND REINVESTMENT PLAN APPLICATION OR VARIATION

Please use a **BLACK** pen. Print **CAPITAL** letters inside the combed boxes below

ABC 123

Where a choice is required, mark the box with an '✓'



This form is to be completed where the unitholder wishes to have their payments reinvested under the rules of the Dividend Reinvestment Plan (DRP).

I/We being the above named holder of registered securities wish to participate in the Company's DRP as indicated below.

I/We authorise the application of the payment to me/us with respect to the number of securities participating in the DRP at the price and subject to the rules of the DRP.

I/We hereby agree to be bound by the rules of the DRP in subscribing for additional securities.

I/We acknowledge that I/we may vary or cancel my/our participation in the DRP, in accordance with the rules of the DRP.

This instruction will cancel any earlier DRP instructions and take priority over any direct credit instructions.

Degree of Participation (cross appropriate box):

FULL PARTICIPATION — Including any further acquisitions.

PARTIAL PARTICIPATION — Please specify the number of units to participate in the DRP

CANCEL — If you wish to cancel your DRP participation.

B

SIGNATURE(S) OF UNITHOLDER(S) – THIS MUST BE COMPLETED

Unitholder 1 (Individual)

Joint Unitholder 2 (Individual)

Joint Unitholder 3 (Individual)

Name:

Name:

Name:

Signature:

Signature:

Signature:

Sole Director and Sole Company
Secretary/Director (delete one)

Director/Company Secretary (delete one)

Signing Instructions: This form should be signed by the Unitholder. If a joint holding, all Unitholders should sign. If signed by the Unitholder's attorney, the power of attorney must have been previously noted by Finexia or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth) (or the equivalent relevant legislation in the United Kingdom) (or for New Zealand companies, the Companies Act 1993).

Date:

Privacy Clause: Finexia Securitites Limited is required to collect certain information about Unitholders under company and tax law to administer your unit holding. If some or all of the information is not collected, then it might not be possible to administer your unit holding. You can obtain access to your personal information by contacting Finexia at the address or telephone number shown on this form. Finexia's Privacy Policy is available on its website at <https://www.finexia.com.au/privacy>



Finexia Childcare Income Fund (ARSN 658 543 625)

This form is for Additional Units in the **Finexia Childcare Income Fund**
ARSN 658 543 625

It accompanies the [PDS](#) dated 28 March 2023.

Use this form if you are an existing investor wishing to purchase Additional Units.

Responsible Entity:
Finexia Securitites Limited
ABN 61608 667 778 | AFSL 486760
Investment Manager:
Creative Capital Group Pty Ltd
ABN 32 623 557 808
All communications to:
fcif@finexia.com.au
www.finexia.com.au
1300 886 103

A APPLICATION FOR ADDITIONAL UNITS FORM

Account name (if a company, please provide full name and ABN/ACN/ARBN):

Registered Address:

Finexia Account Number:

B UNITS PURCHASE DETAILS:

Investment:

Finexia Childcare Income Fund ARSN 658 543 625

Investment Amount (AUD) * Min \$1,000.00:

Payment Details:

BSB: 062-000

Account: 20342805

Name: Finexia Securities Limited

Email remittance to: fcif@finexia.com.au

C SIGNATURE(S) OF UNITHOLDER(S) – THIS MUST BE COMPLETED

This form is to be completed where additional units in the **Finexia Childcare Income Fund (ARSN 658 543 625)**

I/we request the Additional Units as specified.

I/we confirm legal power to request units without any encumbrances.

I/we understand the Issue Price may vary.

I/we acknowledge potential tax implications and have considered seeking tax advice.

I/we understand this application is final and irrevocable.

Unitholder 1 (Individual)

Name:

Joint Unitholder 2 (Individual)

Name:

Joint Unitholder 3 (Individual)

Name:

Signature:

Signature:

Signature:

Sole Director and Sole Company
Secretary/Director (delete one)

Director/Company Secretary (delete one)

This form is for the unit redemption in the **Finexia Childcare Income Fund (ARSN 658 543 625)**.

It accompanies the [PDS](#) dated 28 March 2023.

Use this form if you are an existing investor wishing to request an redemption of units.

Responsible Entity:
Finexia Securitites Limited
 ABN 61 608 667 778 | AFSL 486760
Investment Manager:
Creative Capital Group Pty Ltd
 ABN 32 623 557 808
All communications to:
fcif@finexia.com.au
www.finexia.com.au
 1300 886 103

A APPLICATION FOR UNIT REDEMPTION

Name of investor (if a company, please provide full name and ABN/ACN/ARBN): **Registered Address:**

B UNIT REDEMPTION DETAILS:

Investment:

Finexia Account Number:

Finexia Childcare Income Fund (ARSN 658 543 625)

Total Number of Units for Redemption:

Unit Class:

Payment Details (All payments made via EFT):

Pay Account on File OR New Bank Account Name:

BSB:

Account Number:

C SIGNATURE(S) OF UNITHOLDER(S) – THIS MUST BE COMPLETED

This form is to be completed for unit redemption in the Finexia Childcare Income Fund (ARSN 658 543 625)

I/we request the Issuer to redeem the specified Units.

I/we confirm legal power to request this redemption without any encumbrances.

I/we recognise the redemption Price may vary.

I/we acknowledge potential tax implications and have considered seeking tax advice.

I/we understand this request is final and irrevocable.

Unitholder 1 (Individual)

Joint Unitholder 2 (Individual)

Joint Unitholder 3 (Individual)

Name:

Name:

Name:

Signature:

Signature:

Signature:

Sole Director and Sole Company
 Secretary/Director (delete one)

Director/Company Secretary (delete one)

Date:

Signing Instructions: This form should be signed by the Unitholder. If a joint holding, all Unitholders should sign. If signed by the Unitholder's attorney, the power of attorney must have been previously noted by Finexia or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth) (or the equivalent relevant legislation in the United Kingdom) (or for New Zealand companies, the Companies Act 1993).

Privacy Clause: Finexia Securitites Limited is required to collect certain information about Unitholders under company and tax law to administer your unit holding. If some or all of the information is not collected, then it might not be possible to administer your unit holding. You can obtain access to your personal information by contacting Finexia at the address or telephone number shown on this form. Finexia's Privacy Policy is available on its website at <https://www.finexia.com.au/privacy>

FCIF REDEMPTION 1

This form is for setting up a Regular Investment Plan in the **Finexia Childcare Income Fund** (ARSN 658 543 625).

It accompanies the [PDS](#) dated 28 March 2023.

Use this form if you are an existing investor wishing to setup a Regular Investment Plan.

A **SETTING UP A REGULAR INVESTMENT PLAN**

Investor Details (if a company, please provide full name and ABN/ACN/ARBN): **Registered Address:**

B **REGULAR INVESTMENT DETAILS:**

Investment Type: **Amount (AUD):** **Monthly:** **Quarterly:**

Payment Details:

Bank Name: **BSB:** **Account Number:**

C **SIGNATURE(S) OF UNITHOLDER(S) – THIS MUST BE COMPLETED**

This form is to be completed where setting up a regular investment plan in the Finexia Childcare Income Fund (ARSN 658 543 625)

I/we authorise the regular investment as specified.

I/we confirm understanding of the terms and conditions of the Regular Investment Plan.

I/we understand that **I/we** can modify or cancel this plan with written notice.

I/we understand this request is final and irrevocable.

Unitholder 1 (Individual)

Joint Unitholder 2 (Individual)

Joint Unitholder 3 (Individual)

Name:

Name:

Name:

Signature:

Signature:

Signature:

Sole Director and Sole Company
Secretary/Director (delete one)

Director/Company Secretary (delete one)

Signing Instructions: This form should be signed by the Unitholder. If a joint holding, all Unitholders should sign. If signed by the Unitholder's attorney, the power of attorney must have been previously noted by Finexia or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth) (or the equivalent relevant legislation in the United Kingdom) (or for New Zealand companies, the Companies Act 1993).

Date:

Privacy Clause: Finexia Securitites Limited is required to collect certain information about Unitholders under company and tax law to administer your unit holding. If some or all of the information is not collected, then it might not be possible to administer your unit holding. You can obtain access to your personal information by contacting Finexia at the address or telephone number shown on this form. Finexia's Privacy Policy is available on its website at <https://www.finexia.com.au/privacy>

Direct Debit Request (DDR)

Request and Authority to debit	<p>Your Surname or company name</p> <p>Your Given names or ABN/ARBN "you"</p> <p>request and authorise Finexia Childcare Income Fund and Direct Debit User ID: 640042 to arrange, a debit to your nominated account to pay for Interest, fees and charges.</p> <p>This debit or charge will be arranged by Finexia Childcare Income Fund's financial institution and made through the Bulk Electronic Clearing System (BECS) from your nominated account and will be subject to the terms and conditions of the Direct Debit Request Service Agreement.</p>						
Amount of debit	<table border="1"> <thead> <tr> <th>Frequency</th><th>Periodic Amount</th><th>End Date or Until Further Notice</th></tr> </thead> <tbody> <tr> <td></td><td>\$</td><td></td></tr> </tbody> </table>	Frequency	Periodic Amount	End Date or Until Further Notice		\$	
Frequency	Periodic Amount	End Date or Until Further Notice					
	\$						
Your account to be debited	<p>Name/s on account</p> <p>Financial institution name</p> <p>BSB number (Must be 6 digits)</p> <p>Account number</p>						
Your contact details	<p>Address:</p> <p>Email:</p> <p>Phone:</p> <p>Investment Account No.</p> <p>The best way for us to write to you is by using the above email <input type="checkbox"/> or <input type="checkbox"/> address.</p>						
Confirmation	<p>By signing and/or providing us with a valid instruction in respect to your Direct Debit Request, you have confirm that:</p> <p>you are authorised to operate on the nominated account; and</p> <p>you have understood and agreed to the terms and conditions set out in this Request and in your Direct Debit Request Service Agreement.</p>						
Your Signature	<p><u>Signed in accordance with the account authority on your account:</u></p> <p>Signature:</p> <p>Date:</p> <p>Finexia account number:</p> <p>Contact details: As Above</p>						
Second account signatory (if required)	<p><u>Signed in accordance with the account authority on your account:</u></p> <p>Signature:</p> <p>Name:</p> <p>Date:</p> <p>Contact details:</p> <p>Address:</p> <p>Email:</p> <p>Phone:</p>						

Signing for a company	<i><u>You must be authorised to sign on behalf of the company AND you must have authority to operate the Company's bank account.</u></i>
	Signature of duly authorised officer:
	Position held:
	Name:
	Address:
	Email:
	(Notices will be sent to this email address)
	Phone:
	Date:
	<u>Signature company signatory (if required)</u>
	Signature of duly authorised officer:
	Position held:
	Name:
	Date:

Finexia Childcare Income Fund PO Box 8227 Gold Coast MC QLD 9726	Direct Debit Request Service Agreement
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This is your Direct Debit Service Agreement with **Finexia Childcare Income Fund, APCA ID: 640042 & ABN 75 931 187 685** (the Debit User). It explains what your obligations are when undertaking a Direct Debit arrangement with us. It also details what our obligations are to you as your Direct Debit provider.

Please keep this agreement for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR) and should be read in conjunction with your DDR authorisation.

Definitions	<p>account means the account held at <i>your financial institution</i> from which we are authorised to arrange for funds to be debited.</p> <p>agreement means this Direct Debit Request Service Agreement between <i>you</i> and <i>us</i>.</p> <p>banking day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.</p> <p>debit day means the day that payment by <i>you</i> to <i>us</i> is due.</p> <p>debit payment means a particular transaction where a debit is made.</p> <p>Direct Debit Request means the written, verbal or online request between <i>us</i> and <i>you</i> to debit funds from your account.</p> <p>us or we means Finexia Childcare Income Fund, (the Debit User) <i>you</i> have authorised by requesting a <i>Direct Debit Request</i>.</p> <p>you means the customer who has authorised the <i>Direct Debit Request</i>.</p> <p>your financial institution means the financial institution at which you hold the <i>account</i> you have authorised us to debit.</p>
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1. Debiting your account	<p>1.1 By submitting a <i>Direct Debit Request</i>, you have authorised us to arrange for funds to be debited from your account. The <i>Direct Debit Request</i> and this agreement set out the arrangement between us and you.</p> <p>1.2 We will only arrange for funds to be debited from your account as authorised in the <i>Direct Debit Request</i>.</p> <p>or</p> <p>We will only arrange for funds to be debited from your account if we have sent to the address nominated by you in the <i>Direct Debit Request</i>, a billing advice which specifies the amount payable by you to us and when it is due.</p> <p>1.3 If the <i>debit day</i> falls on a day that is not a <i>banking day</i>, we may direct your financial institution to debit your account on the following <i>banking day</i>. If you are unsure about which day your account has or will be debited you should ask your financial institution.</p>
2. Amendments by us	<p>2.1 We may vary any details of this agreement or a <i>Direct Debit Request</i> at any time by giving you at least fourteen (14) days written notice sent to the preferred email or address you have given us in the <i>Direct Debit Request</i>.</p>
3. How to cancel or change direct debits	<p>3.1 You can:</p> <p>a) Cancel or suspend the <i>Direct Debit Request</i>; or</p> <p>b) change, stop or defer an individual payment, or at any time by giving us at least 30 days notice.</p> <p>To do so, contact us at</p> <p>info@finexia.com.au</p> <p>or</p> <p>by telephoning us on 1300 886 103 during business hours;</p> <p>or</p> <p>You can also contact your own financial institution, which act promptly on your instructions.</p>
4. Your obligations	<p>4.1 It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a <i>debit payment</i> to be made in accordance with the <i>Direct Debit Request</i>.</p> <p>4.2 If there are insufficient clear funds in your account to meet a <i>debit payment</i>:</p> <p>a) you may be charged a fee and/or interest by your financial institution;</p> <p>b) we may charge you reasonable costs incurred by us on account of there being insufficient funds, currently \$10 fee; and</p> <p>c) you must arrange for the <i>debit payment</i> to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the <i>debit payment</i>.</p> <p>4.3 You should check your account statement to verify that the amounts debited from your account are correct.</p>
5. Dispute	<p>5.1 If you believe there has been an error in debiting your account, you should notify us directly on 1300 886 103 or info@finexia.com.au. Alternatively you can contact your financial institution for assistance.</p> <p>5.2 If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging within a reasonable period for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.</p> <p>5.3 If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding in writing.</p>

6. Accounts	<p>You should check:</p> <ul style="list-style-type: none"> a) with <i>your financial institution</i> whether direct debiting is available from <i>your account</i> as direct debiting is not available through BECS on all accounts offered by financial institutions. b) <i>your account details</i> which <i>you</i> have provided to <i>us</i> are correct by checking them against a recent <i>account statement</i>; and c) with <i>your financial institution</i> before completing the <i>Direct Debit Request</i> if <i>you</i> have any queries about how to complete the <i>Direct Debit Request</i>.
7. Confidentiality	<p>7.1 We will keep any information (including <i>your account details</i>) in <i>your Direct Debit Request</i> confidential. We will make reasonable efforts to keep any such information that we have about <i>you</i> secure and to ensure that any of <i>our</i> employees or agents who have access to information about <i>you</i> do not make any unauthorised use, modification, reproduction or disclosure of that information.</p> <p>7.2 We will only disclose information that we have about <i>you</i>:</p> <ul style="list-style-type: none"> a) to the extent specifically required by law; or b) for the purposes of this <i>agreement</i> (including disclosing information in connection with any query or claim).
8. Contacting each other	<p>8.1 If <i>you</i> wish to notify <i>us</i> in writing about anything relating to this <i>agreement</i>, <i>you</i> should write to:</p> <p style="margin-left: 40px;">Finexia Childcare Income Fund</p> <p style="margin-left: 40px;">PO Box 8227 Gold Coast MC QLD 9726</p> <p>8.2 We will notify <i>you</i> by sending a notice to the preferred address or email <i>you</i> have given us in the <i>Direct Debit Request</i>. Any notice will be deemed to have been received on the second <i>banking day</i> after sending.</p>

Finexia Team



FINEXIA



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264 George Street
Sydney NSW 2000



1300 886 103



info@finexia.com.au

