

MCCA Income Fund

An Australian Shariah Compliant Income Investment

ARSN 138 726 931

Product Disclosure Statement

30 September 2020

Issuer and manager:

MCCA ASSET MANAGEMENT LIMITED
ABN 18 113 728 706
AFSL 291356



Corporate Directory

The Fund - MCCA Income Fund
ARSN 138 726 931

Head Office Fund Inquiries

167-169 Sydney Road,
Coburg Victoria 3058
Australia

NSW Branch Office Fund Inquiries

125 Haldon Street,
Lakemba NSW 2195
Australia

Responsible Entity, Issuer and manager

MCCA Asset Management Limited
ABN 18 113 728 706
AFSL291356, ACL291356

167-169 Sydney Road,
Coburg Victoria 3058
Australia

t 1300 724 734
e info@mcca.com.au
w www.mcca.com.au

Custodian

Sandhurst Trustees Ltd
Level 5, 120 Harbour Esplanades, Docklands
Victoria 3008
t 03 8414 7856
f 03 8414 7275
www.sandhursttrustees.com.au

Statutory auditor of the Fund

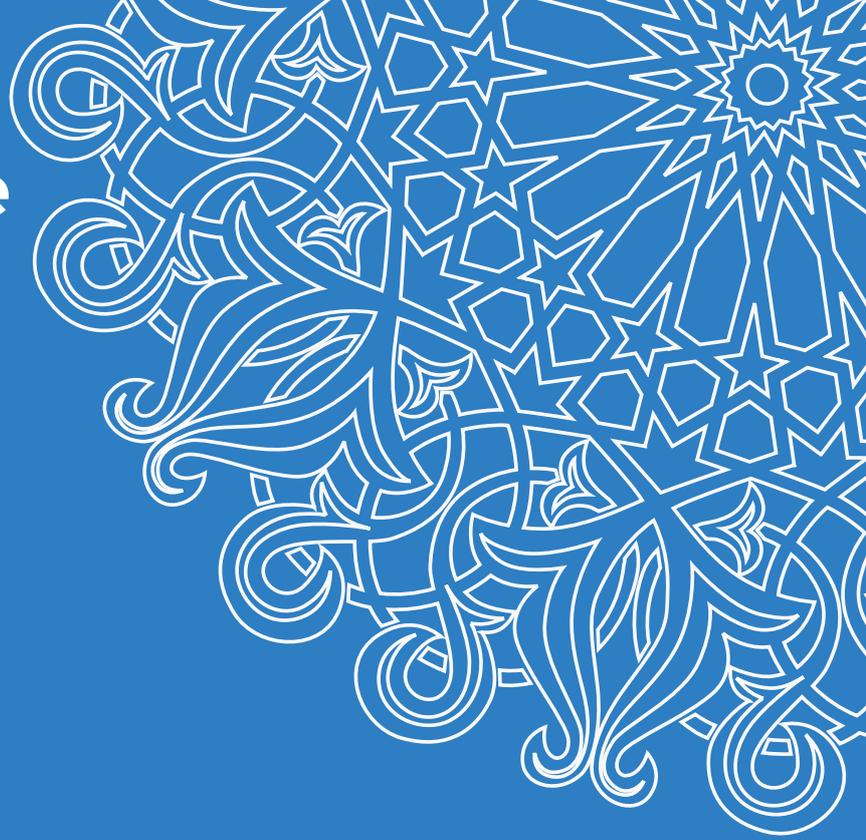
Statutory auditor of the Responsible Entity

Statutory auditor of the Compliance Plan

KPMG
Tower Two, Collins Square
727 Collins Street
Melbourne Victoria 3008 Australia



Contents Page



Important Notice	4
Invitation To Invest In The MCCA Income Fund	6
Fatwa In Respect To The MCCA Income Fund	7
The MCCA Income Fund - Brief Overview	8
Section 1 - The MCCA Income Fund	11
Section 2 -Investment Strategy	20
Section 3 -Benchmarks and Disclosures	23
Section 4 -Fees	28
Section 5 -Risks Of Investing In The MCCA Income Fund	34
Section 6 -The Key Persons Involved In the MCCA Income Fund	38
Section 7 -General Information	41
Section 8 -Taxation	45
Dictionary	46
Application Form	48

Important Notice

This Product Disclosure Statement ("PDS") is dated 30 September 2020 and is issued pursuant to the Australian Corporations Act 2001.

Investments in the MCCA Income Fund ARSN 138 726 931 (the "Fund") are offered by MCCA Asset Management Limited ABN 18 113 728 706, AFS Licence number 291356 ("MCCAAM") (referred to in this PDS as "MCCAAM", the "Manager", the "Responsible Entity", "we", "our" and "us") (the "Offer").

MCCAAM is a wholly owned subsidiary of MCCA Limited, and together form part of the MCCA group of companies. MCCAAM's contact details are set out in the Corporate Directory section of this PDS.

The Fund is a managed investment scheme registered with the Australian Securities and Investments Commission (ASIC). ASIC takes no responsibility for the contents of this PDS, however.

Sandhurst Trustees Limited has agreed to act as Custodian of the Fund's assets under the Custodian Agreement summarised in Section 7.3. The Custodian has not been involved in preparing this PDS and makes no representation regarding the accuracy or completeness of its contents. The Custodian has no supervisory role relating to the operation of the Fund and is not responsible to you for protecting your interests.

None of MCCAAM, the Custodian, or their respective officers, employees or agents guarantees the performance of the Fund nor the repayment of invested capital.

Investing in a financial product such as the Fund is subject to a number of risks which may affect the financial performance of the Fund. These are described in section 5, "Risks of Investing in the MCCA Income Fund", although they may not be all of the risks arising from an investment in the Fund.

This PDS does not constitute an invitation or offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and persons who come into possession of the PDS should seek advice on and observe any such restrictions. Any failure to comply with restrictions may constitute a violation of applicable securities law.

This PDS is available for download on www.mcca.com.au. In addition, copies of the PDS are available by calling 1300 724 734. Copies will be sent by way of paper copy at no charge or if convenient by email. No person is authorized to provide any information or make any representation in connection with the Offer that is not contained in this PDS. If you have received an Application Form in electronic form, you should obtain and read the full PDS before making application to invest in the Fund. MCCAAM is concerned with the environment and encourages prospective Investors to consider requesting a copy of the PDS in electronic form where possible as a means of conserving paper resources and the environment.

Investments in this Fund should be regarded as long term and illiquid as there is no formal secondary market for Units in the Fund. Investors have no right to require that their investment be purchased or redeemed by MCCAAM. See Section 1, "The MCCA Income Fund", for more details. Further information, not being materially adverse, may be made available from time to time, and these updates may be found on the website at www.mcca.com.au.

Unless specifically stated, photographs in this PDS do not depict assets of the Fund.

This document is important. You should read it carefully in its entirety. Before you invest, you should consult with your financial and other professional advisors if you are uncertain about any matters outlined in the PDS.

This PDS is prepared for your general information only. It is not intended to be a recommendation by the MCCAAM or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in

this PDS. You should consider the suitability of the Fund in view of your financial position and investment objectives and needs, and you may wish to seek professional advice before investing.

Key terms in this PDS are defined in the Dictionary Section.

Invitation To Invest

In the MCCA Income Fund



Assalaam Alaikum (Peace be with you)

Dear Investors,

On behalf of the Board of MCCA Asset Management Limited (the "Manager"), I am pleased to offer for your consideration an Investment in the MCCA Income Fund (the "Fund").

This Product Disclosure statement ("PDS") contains important information about the Fund and how to invest. You should read this PDS carefully in its entirety.

Investors may take comfort that the Manager is a wholly owned subsidiary of MCCA Limited and part of the MCCA Group. Our other entity, Muslim Community Co-operative (Australia) Limited (the "Co-operative") has been providing Shariah compliant finance and investment products to Australian Muslims since 1989. Many readers of this PDS will know of or have dealt with the Co-operative during this time. The Fund continues our proud track record in Shariah compliant investments and finance, started by the Co-operative in 1989.

The Fund was established in October 2009. Since then the Fund has been an important investment offering for Australian Muslims, and we are proud of the fact that the Fund was the first Shariah compliant investment managed investment scheme registered by the Australian Securities and Investments Commission.

Apart from aiming to provide investors in the Fund with an attractive return, the Fund also seeks to benefit the Australian Muslim community. Investment monies raised by the Fund have been used to finance the Australian Muslim community's residential homes, medical facilities, Mosques and religious facilities, as well as other investments permitted under Shariah law.

The Fund continues to grow in size and aims to generate returns which are higher than those available from Australian Bank 1-5 year term deposits. Past returns of the Fund are, however, not indicative of future returns and prospective investors must carefully consider whether the risks of the Fund suit their risk profile, personal situation, investment objectives and financial needs.

The PDS outlines the attributes, benefits and risks of investing in the Fund. Investors should keep in mind that neither the Manager nor its Directors guarantee any particular rate of return from any investment in the Fund, nor a return of capital. And the risks of the Fund, which are outlined in Section 5 of this PDS, should be carefully considered before you do invest.

Nevertheless, we welcome you and thank you sincerely for considering an investment in the MCCA Income Fund.

MCCA Asset Management Limited

A handwritten signature in black ink that reads "Akhtar". The signature is written in a cursive style with a horizontal line underneath the name.

Professor Akhtar Kalam
Chairman of the Board of Directors

Fatwa In Respect To

The MCCA Income Fund ARSN 138 726 931

In the Name of Allah, the Most Gracious and the Most Merciful

This Fatwa has been prepared for inclusion in a Product Disclosure Statement (PDS) to be issued by MCCA Asset Management Limited on or about 30 September 2020 for the MCCA Income Fund ARSN 138 726 931 (the "Fund").

We, the undersigned Shariah Advisors appointed by MCCA Asset Management Limited have assessed the Fund and, after care-

fully examining the details of the Fund and the contents of the proposed Product Disclosure Statement (PDS) to which this Fatwa is to be attached, have concluded that the MCCA Income Fund is compliant with the principles of Shariah and Islamic law.

We have authorized to MCCA Asset Management Limited that this Fatwa is able to be included in the PDS.

AUTHORISED BY THE SHARIAH ADVISORS TO THE MCCA INCOME FUND



A handwritten signature in black ink, appearing to be 'Ibrahim'.

Dr Ibrahim Abu Muhammad



A handwritten signature in black ink, appearing to be 'Shabbir'.

Dr Shabbir Ahmed

Date of Fatwa: 30 September 2020

The MCCA Income Fund

Brief Overview

This overview is a quick summary of the Fund in question and answer format.

In this PDS you will find more detailed information on the Fund and you should read this information carefully. You should refer to your own personal financial advisor for advice about how this investment may

suit your own personal financial situation, risk profile, needs and objectives. Accordingly, this overview is presented in general terms and for summary purposes only. The table below refers to the key section(s) in the PDS where further information can be obtained on the matters outlined in this summary.

KEY QUESTION	BRIEF ANSWER AND OVERVIEW OF KEY FUND MATTERS	IN THIS PDS
What is the MCCA Income Fund?	A managed investment scheme registered with and regulated by the Australian Securities and Investments Commission. It is a 'dual compliant' investment. The primary purpose of the Fund is to make mortgage investments, which involves providing finance facilities secured against real property. Generally, the Fund's mortgage investments involve providing finance secured against one or more stand-alone real property, but from time to time the Fund may also provide finance to special purpose vehicles in turn holding pools of existing mortgage facilities originated by the Fund, but only where the facility enjoys security (subject to priority arrangements with other financiers in that pool) over the mortgaged assets in that pool. Facilities secured against pools of existing mortgages will not exceed 10% of the Net Asset Value of the Fund at any time.	Section 1 Section 2 Section 3 Section 5
What is meant by a 'dual compliant investment'?	An investment in the Fund meets the requirements of Australian law and is consistent with Shariah finance and investment principles. Shariah finance and investment principles are consistent with the practices and teachings of the Islamic religion. A pronouncement by Shariah advisors confirming that the Fund is compliant with Shariah finance and Investment principles is contained within this PDS. To ensure that the Fund remains Sharia compliant, the Manager may implement policies to provide for the purification of the Fund's income in accordance with Islamic principles and the making of charitable donations of funds out of different categories of income or capital of the Fund.	Fatwa Section 1 Section 2 Section 7
How does the investment work?	The Fund raises monies from Investors and which is pooled. In making mortgage investments, Shariah compliant finance is provided to clients from the pool on terms and conditions which are negotiated specific to each facility client. Security in one form or another is taken as a condition of each finance facility. Facility income received by the Fund also is pooled, and fees and costs are deducted from the pool income, including fees of the Manager (as investment manager and responsible entity) and general costs of running the Fund. A net profit is determined and currently is distributed pro-rata among investors in the Fund monthly-in-arrears, directly to investors' nominated bank accounts. The timing of distributions is subject to the Manager's assessment of the liquidity of the Fund from time-to-time.	Section 1 Section 2 Section 3 Section 4 Section 5
What is my investment?	The Fund operates as a unit trust. This means that your investment is expressed in terms of Units owned by you in the Fund. Units represent a beneficial interest in the Assets of the Fund, but not any entitlement to any specific Asset. You do not have the ability to control the operations of the Fund other than to vote at Unitholder meetings in accordance with the Constitution. Units are issued at \$1 per unit (unless the Manager considers this does not accurately reflect the true value of Units, in which case the issue price will be the Fund's NAV/Units on issue, or as may be negotiated with a wholesale client). Therefore, if you invest \$10,000 you will usually receive 10,000 units in the Fund. Your Units accrue an entitlement to income from the day that they are issued to you. They are not issued with any entitlement to accrued income. There is no Buy-Sell spread when you invest or redeem Units in the Fund.	Section 1 Section 2

The MCCA Income Fund

Brief Overview (continued)

KEY QUESTION	BRIEF ANSWER AND OVERVIEW OF KEY FUND MATTERS	IN THIS PDS
What are the key benefits of investing in the Fund?	The key benefits are that the Fund seeks to generate income by granting Shariah compliant finance facilities, and by so doing seeks to provide Investors with a regular income, targeting returns above those available from Australian bank 1-5 year term deposits. Diversification of the Fund's finance facility client base assists in lowering, but not reducing entirely, risk.	Section 1 Section 2 Section 3
Who manages your investment?	MCCA Asset Management Limited (Manager) is the issuer, investment manager, responsible entity and so operator of the Fund. The Manager has an Australian Financial Services Licence (291356) that allows it to operate the Fund and manage your investment. The Manager also has an Australian Credit Licence (291356) which allows it, as investment manager and responsible entity of the Fund, to make finance facilities available to suitable clients.	Section 1 Section 3 Section 6 Section 7
Who is this investment suitable for?	Individuals, joint applicants, partnerships, companies and superannuation funds seeking to earn recurring income earned within a pooled managed Investment scheme.	Section 1 Section 2
What type of properties does the MCCA Income Fund finance facilities for?	Residential, commercial, retail, industrial, retirement, healthcare, aged care, educational, and other property types that meet Shariah investment and finance principles. The Fund does not provide finance where the asset or property under finance does not meet Shariah finance and investment principles.	Section 1 Section 2 Section 3
What is the minimum investment amount?	The minimum investment in the Fund is \$500 or 500 Units, or such other amount as the Manager may determine from time-to-time. If an Investor in the Fund holds less than the minimum investment amount, the Manager may compel the Investor to sell or to redeem their Units.	Section 1 Section 2
What is the maximum investment amount?	Unless determined by the Manager, there is generally no maximum investment amount. However, no Investor can hold any more than 10% of the total value of Units in the Fund, whether directly or indirectly through or in association with any Associate, as 'Associate' is defined in the Corporations Act.	Section 1
How do I invest?	You must read this PDS and complete and execute the attached application form.	Section 1 Section 7 Application Form
Is there a cooling off period?	No. There is no cooling off period when you provide your investment monies.	Section 1
What return can I expect to receive from my investment in the Fund?	Since October 2009, when the Fund was first offered to investors, the Fund has earned annual net returns commensurate with or above Australian bank 1-5 year term deposit rates, which is the Fund's investment objective. Past returns of the Fund are, however, not indicative of future returns, and the Manager does not guarantee any particular rate of return or return of your investment monies. There are risks with this investment that could affect your investment return.	Section 1 Section 2 Section 3 Section 5
When can I expect to receive returns?	Distributions currently are paid to Investors monthly-in-arrears, although the Manager has the discretion under the Constitution to make distributions quarterly, annually or otherwise. Distributions are paid into your nominated bank account, or else you may elect to reinvest distributions in more units in the Fund. The Manager does have the discretion to suspend distributions if it believes that making distributions would adversely affect the financial viability, liquidity or solvency of the Fund.	Section 1 Section 4 Section 5 Section 7

The MCCA Income Fund

Brief Overview (continued)

KEY QUESTION	BRIEF ANSWER AND OVERVIEW OF KEY FUND MATTERS	IN THIS PDS
What are the fees with this investment?	You do not pay establishment or upfront fees when you make a cash deposit in the Fund and Units are first issued to you. There are management fees and other Fund administration costs which start to accrue after you make an investment in the Fund, however. These management fees are paid out of the Fund's Assets and income it generates. There may be other fees and costs, such as where recovery action is taken if a finance facility defaults, and you may be subject to other fees when you withdraw your investment monies. See section 4 Fees and Costs, for a full explanation of fees and costs.	Section 4
Can I withdraw my investment money at call? If not, what are the rules for withdrawal of my investment?	<p>No. The Fund is not a liquid investment.</p> <p>Under the Fund's Constitution, the Manager as the Fund's responsible entity has no absolute obligation to redeem the Units of Investors wishing to leave the Fund. In particular, Investors have no right to redeem their Units in the first twelve months of their investment, although the Manager may redeem Units in the first twelve months in the case of hardship, but in its absolute discretion. After holding Units for twelve months, Investors may submit a redemption notice to the Manager which will be accepted but only where it is prudent to satisfy the redemption from available liquid funds, which the Manager determines in its absolute discretion. You must make a withdrawal request in writing and if it is accepted, you will be notified and payment will be made within 28 days of receipt of the redemption notice to your nominated bank account. You may be charged fees for the Manager processing and finalising your withdrawal request if it is received within the first 12 months of issue of the Units. The Manager may also make offers to Investors to redeem Units from time to time in accordance with the Corporations Act, but only in its discretion and to the extent that the Fund has sufficient available liquid funds to do so. If a redemption offer is made, a time period for acceptance will be specified, and a copy of the offer will be lodged with ASIC. The Manager may also in its absolute discretion and without prior notice suspend indefinitely or for one or more periods all withdrawals and redemption requests until it believes that allowing withdrawals will not affect the viability and liquidity of the Fund.</p>	Section 1 Section 3 Section 4 Section 5
Are there risks with this investment?	<p>Yes. As with any investment there are risks that may decrease your return or result in a loss of your investment capital. Providing finance facilities exposes the Fund to the credit risk of individual borrowers and to the economic climate in general.</p>	Section 5
What tax do I pay on the returns from Fund?	<p>If you are an Australian resident you will pay tax on distributions made to you. Tax is paid by you and not the Fund. You will receive an annual tax statement on the amounts paid to you. If you do not provide a tax file number, you may be subject to withholding tax paid out of any distribution made to you.</p>	Section 1 Section 8
Is this investment suitable to non-Muslim Investors?	<p>Yes. Although the MCCA Income Fund was designed with the requirements of Shariah and Islamic finance principles in mind, the Fund is suitable for all Investors seeking a professionally managed and ethical investment.</p>	Section 1 Section 2
What else do I need to know?	<p>You should read this PDS carefully. Some key matters for you to consider when reading this PDS are:</p> <ol style="list-style-type: none">1. The taxation status of this investment for residents and non-residents as applicable.2. The Fund's financing and investment policy.3. The benchmarks and disclosures required for this investment under Australian law.4. The Fees pertaining to your investment.5. The complaints process for this investment.6. The identification requirements when you invest in the Fund.	Section 1 Section 2 Section 3 Section 4 Section 7 Section 7 Section 8

Section 1

The MCCA Income Fund



1.0 Introducing the MCCA Income Fund (the Fund)

Section 1 details in question and answer format the workings of the Fund. The workings of the MCCA Income Fund are presented in general terms and do not consider your personal financial circumstances or needs. As the contents of this PDS are general in nature and not specific to your personal financial objectives, we suggest you seek appropriate personal investment advice from a licensed financial planner, advisor or suitably qualified person.

In addition to this PDS, you should refer to the Manager's web site (www.mcca.com.au) on a regular basis for updates and status reports relevant to the Fund. The Manager has opted for continuous disclosure obligations under ASIC issued Regulatory Guide 198 to be met via frequent updates on Fund status and performance to be reported on the Manager's web site (www.mcca.com.au). Since inception of the Fund in 2009, the Manager has posted Fund status and performance reports on its web site on a quarterly basis.

1.1 What is the MCCA Income Fund?

The Fund is an unlisted unit trust managed investment scheme registered with the Australian Securities and Investments Commission.

Your investment is represented by the number of Units you hold in the Fund. Units represent a beneficial entitlement to the Assets and income of the Fund, although not to any specific Asset. Each Unit in the Fund is initially offered at a value of \$1. Therefore, if you invest \$10,000 in the Fund, you will receive 10,000 units in the Fund. Units are not usually issued with any accrued entitlement to income, which usually only accrues from the day that you are issued with Units in the Fund.

Your share of the Fund's returns will be determined by the number of Units you own as a percentage of the total Units on issue at the time any distribution of income or returns is made.

The Fund is deemed, and is intended at all times to be, compliant with Shariah and Islamic finance and investment principles.

1.2 What is meant by a Shariah Compliant Investment?

The Fund will only make finance facilities available, and any other investments, in circumstances that meet Shariah finance and investment principles. The religious law, regulations and principles inherent in Islam is known as the Shariah. Shariah plays an important part in the life of Australian Muslims and

Section 1

The MCCA Income Fund (continued)

is applicable to day to day life including investment and finance activities. Shariah investment principles are those investment principles consistent with the Islamic faith and have the authority of the Quran (wholly book of Islam) and the interpretations of the Quran by recognised Islamic scholars.

This means that finance for properties used for purposes in whole or in part for alcohol distribution, armament production, immoral purposes and other Shariah prohibited purposes will not be accepted by the Fund. Section 2 details the Investment strategy and direction of the Fund.

The Fund does not utilise bank debt facilities provided by Australian or any other banks. All Shariah compliant financing is made with funds contributed by Investors. Similarly, in keeping with Shariah principles, Investors will not earn interest on investment monies held on deposit with a bank either directly or through a Custodian. Furthermore, when Investor monies are held in cash by the Manager or Custodian, and have not been utilised for a finance facility, Investors will not earn interest income.

1.3 Who determines whether the MCCA Income Fund meets Shariah and Islamic Finance and Investment Principles?

The Shariah Advisors appointed by the Manager have determined in a Fatwa included in this PDS that the MCCA Income Fund is compliant in terms of Shariah finance and investments. Section 6 provides the names and outlines a summary of the backgrounds of the Fund's Shariah advisors. Apart from ruling on matters of Shariah incorporating Islamic finance and investment principles, the Shariah advisors do not have any day to day Fund management or Investor liaison roles.

1.4 What are the Investment Objectives of the Fund?

The Fund is designed to provide Investors with variable recurring income. The Fund commenced in October 2009 and has paid distributions to Investors every year since then. The returns of the Fund since its inception

have been commensurate with or above the returns earned from Australian bank 1-5 year term deposits, although no guarantee is made by any person about any particular future rate of return, or return of capital at all. Past returns of the Fund are not indicative of the Fund's future returns.

Section 3 of the PDS details the key benchmarks, historical earnings rates and investment profile of the Fund at the latest reporting date of the Fund being 30 June 2020.

1.5 How does the Fund work to derive an Investment Return?

The Fund is designed to provide a variable recurring income return for its Investors. The Fund operates in summary as follows:

Investors' contributions in the Fund are pooled, and Investors are issued Units in the Fund which reflect an equitable interest in the underlying Assets of the Fund. Investors do not have any rights to any particular Asset of the Fund, however, and are not able to control the investment decision making processes or operations of the Fund.

The Fund uses monies raised to grant Shariah compliant finance facilities and which are secured against real property assets. The Fund earns income from the Shariah compliant finance facilities. The Fund meets its costs and expenses, including management fees and administration and operational costs of the Fund, out of the income derived from the Shariah compliant finance facilities. After accounting for all Fund income and expenses, the Fund derives a net profit which is then distributed to Investors (Distributable Amount).

This Distributable Amount is usually paid monthly in arrears, although the Manager has a discretion to change the timing of payment, according to each Investor's Distributable Entitlement. An Investor's Distributable Entitlement is derived by taking the total Units held by the Investor divided by the total number of Units issued for the Fund multiplied by the Distributable Amount per Unit.

Section 1

The MCCA Income Fund (continued)

The Distributable Amount for the last month of each financial year is subject to the Manager receiving advice from the Fund's accountants about the net amount that may be distributed, so that any accrued costs and expenses and tax liabilities are taken into account.

The Corporations Act 2001 requires the Manager as Responsible Entity to prepare financial accounts for the Fund for each financial year ended 30 June. These annual financial accounts are subject to audit and are required to be lodged with ASIC. Investors are entitled to receive a copy of the audited Fund accounts lodged with ASIC. The reports will be accessible on the Manager's website www.mcca.com.au, and written copies may be requested by contacting the Manager.

The ability of the Fund to continue to generate returns is not certain and depends on many factors, many of which are beyond the control of the Manager. Potential risks of investing in the Fund are outlined in Section 5 of this PDS, and should be considered carefully. Fundamentally the Fund is exposed to the general economic climate in Australia and the ability of recipients of finance facilities to repay those facilities over time.

able date being 30 June 2020 are summarized in the table set out below.

The Fund's net annual return (Distributable Amount) for distribution to Investors is dependent on a number of factors including but not limited to the level of Shariah compliant facilities written, the gross investment return on these facilities and the costs and expenses payable by the Fund to derive net distributable profit. Accordingly, the Fund's distributions are variable. The historical returns shown below are for information purposes only.

Past returns are not necessarily indicative of future returns from the Fund. An investment in the Fund is not an investment in a bank term deposit and offers a significantly lower level of security and stability. As with any investment there are risks to consider. Investors should refer to Section 5 of this PDS for discussion of the risks of investing in the Fund.

Prior net distributions to Investors in the Fund, after fees and costs, as a percentage of invested capital, have been as follows:

YEAR ENDED 30 JUNE	2014	2015	2016	2017	2018	2019	2020
Annual Net Fund Return	4.52%	4.33%	3.80%	3.90%	3.94%	3.74%	2.86%

Note: 2014 to 2019 derived from Fund audited accounts, 2020 derived from Fund management accounts.

1.6 What returns does the Fund expect to make?

The Manager does not make forecasts on future Fund earnings. Any discussion on Fund historical returns in this PDS is given for information purposes only and does not represent any representation by the Manager as to a likely, a projected or a forecast Fund return for future periods. Past returns are not indicative of future returns. The Manager and Directors do not guarantee or warrant the returns of the Fund.

The Fund commenced in October 2009. The Fund's historical returns from inception to the latest report-

1.7 How and when is my return from the Fund paid to me?

Distribution Entitlements are payable monthly in arrears. Your first distribution will be for the period from the day Units are issued to you until the end of the month of issue. If your investment is held for a full 12 months then assuming the Fund is able to operate normally, you should receive 12 monthly distributions.

Distribution Entitlements typically will be paid directly into your nominated bank account within 3 weeks after each calendar month-end. The distribution for the last month of a Financial Year may take slightly

Section 1

The MCCA Income Fund (continued)

longer while annual accounts are prepared and any cost, expense and income accruals for that year are fully taken into account.

Distribution Entitlements are based on the number of Units you hold in the Fund, in proportion to the number of Units held by all Unitholders, and the number of days that you have held Units during that Distribution Period. To participate and receive a Distribution Entitlement for a Distribution Period you must be a Unitholder for all or part of that Distribution Period.

Distribution Entitlements will be paid to Investors by electronic transfer, for both capital and income distributions. In order to be paid by electronic transfer you must nominate a bank account for the payment of Distribution Entitlements when completing the application form attached to the PDS.

You are responsible for advising changes in your nominated bank account for distributions and withdrawals. We are not responsible for any income distributions or withdrawals due to you and delayed in transmission to you as a result of your failure to advise us of changes to your nominated bank account for Fund transactions.

1.8 Who does this Investment suit?

This investment is suitable for Investors seeking a Shariah compliant investment providing regular income distributions. Investors can enter the Fund with only \$500 as a minimum investment, or such amount as the Manager may determine from time-to-time. There is generally no maximum investment amount. However, no Investor can hold more than 10% of the total Units in the Fund. In certain circumstances, the Manager may impose a maximum investment limit should it be required to protect Investor interests. Individuals, joint applicants, partnerships, companies, self-managed superannuation funds and trusts are suitable entities for investment in the Fund. Non-Muslims may take comfort in investing in an ethical investment. The Fund is not a liquid investment and is not suitable for Investors who require access to their investment monies in a short time frame.

The Fund restricts withdrawal requests typically for the first 6 months of the initial investment or any additional investment, although the Constitution does not give Investors a right to redeem within twelve months after making an investment, and then only where the Fund has available liquid resources to fund any redemption, since the finance facilities provided by the Fund usually have terms of at least 6 months and are not liquid investments.

This means that the Manager will not normally allow withdrawals for the first 12 months from the time of initial investment or any additional investment. To clarify this, the initial investment and any additional investment are treated by the Manager as separate investment start dates for the purposes of enforcing the non-withdrawal rule. Subject to the liquidity of the Fund, the Manager may waive the 12 months non-withdrawal rule in cases of Investor hardship. However, early withdrawal fees may be charged to an Investor for early withdrawal of investment (refer to Section 4).

1.9 What risk mitigation strategies does the Manager employ?

Like any investment product there are risks with the Fund that could affect the ability of the Fund to generate future returns. One of the main risks to consider is default under a finance facility caused by factors specific to that facility or due to changes in the general economic climate.

To help protect against Fund risks, the Manager employs the following risk mitigation strategies:

- Finance facilities are made on the basis of a strict finance and credit policy signed off by the Directors.
 - Assets in the Fund, or property securing a facility, are subject to independent valuation or other appropriate market value assessment determined by the Manager.
 - Finance facilities are offered at generally no more than 80% of independent valuation for residential properties, and 70% of independent valuation for commercial/retail properties.

Section 1

The MCCA Income Fund (continued)

- Finance facilities to clients are provided on a full documentation basis with few exceptions, although the Fund may grant a facility where income has been self-certified in exceptional cases and where the facility-to-value ratio offers the Fund comfortable security.
- Proactive management of finance portfolio to minimise level of arrears.

Facility arrears vary from time to time and accordingly Investors should refer to the Manager's website www.mcca.com.au for updated details of facility portfolio performance and arrears, where quarterly Fund reports describe Fund performance, arrears and defaults.

The level of past arrears is not necessarily reflective of the level of future arrears on the Fund's finance facility portfolio. There are risks with the Fund that can increase the level of arrears and adversely affect the income and capital of Investors. These risks are discussed in Section 5.

The Fund does not borrow from banks or other financiers to raise capital or other funds for its investment activities. Only monies raised from its Investors are used to provide finance facilities to clients. This ensures that the Fund is and remains consistent with Shariah finance and investment principles, and that there is no risk from the Fund defaulting itself to banks or third-party financiers.

1.10 How does the Fund deal with related party issues and any conflicts of interest?

The fund can provide finance facilities to related parties. In addition to the Fund's normal strict financing criteria, unanimous Board approval is required for any such facility.

The Fund provides finance facilities to the MCCA Property Fund. The MCCA Property Fund is a registered managed investment scheme which is also operated by the Manager, and which establishes Sub-schemes to invest in various types of Shariah compliant property. Any finance facility granted by the Fund to the MCCA Property Fund must meet the Manager's strict

credit financing criteria and the limits of finance that generally apply to any client of this Fund.

All conflicts of interest (actual and perceived) are investigated by the Compliance Officer of the Fund. The Directors consider all conflicts of interest matters. Since inception of the Fund in October 2009, there have been no conflicts of interest matters considered by the Directors involving the Fund.

1.11 Can I withdraw my money at any time?

No. The Fund is not a liquid investment.

Investors are not generally able to withdraw from the Fund within the first 12 months of investing, since the finance facilities provided by the Fund usually have terms of at least 12 months and are not liquid investments.

The 12 months minimum term commences from the date any Investment is made, whether an initial or subsequent Investment.

The Directors do have the right to waive this minimum holding period where there is genuine hardship and the Fund has sufficient liquid resources to meet the redemption request.

Once the initial 12 month holding period has passed, Investors may apply to the Manager in writing to withdraw their Investment in whole or in part. The Manager will then decide if the Fund has sufficient available liquid resources to satisfy the redemption request, and if the Manager determines that the Fund has sufficient resources, will notify the Investor accordingly. Payment will then usually be made within 28 days of receipt of the redemption notice to your nominated bank account.

There is a minimum holding of 500 Units, or such other amount as the Manager may determine from time-to-time, however.

The Manager may also make a Redemption Offer to Investors from time to time in accordance with the Fund's Constitution, allowing them to redeem some

Section 1

The MCCA Income Fund (continued)

or all of their investment in the Fund. The Manager will notify Investors if a Redemption Offer is made, and post details on its website www.mcca.com.au. Units may be redeemed proportionately under a Redemption Offer if acceptances exceed the Fund's available liquid resources.

The Manager may suspend redemptions for a particular period or indefinitely in accordance with the Constitution if in its opinion such action is necessary to protect the Fund's liquidity and viability, or if the Manager believes it is in the best interests of Unitholders to do so. The terms and expected length of any suspension will be notified to Unitholders.

The Manager and its Directors do not guarantee or warrant that the Fund will always have sufficient liquid resources to satisfy requests to redeem Units. There are many factors that may impact on the ability of the Fund to meet redemption requests, including changes in the economic climate generally and many other factors beyond the control of the Manager. Some of these factors are outlined in Section 5, where risks pertaining to the Fund are discussed.

1.12 How do I invest in the Fund?

The process is straightforward and essentially involves:

- Reading this PDS in its entirety
- Completing the relevant application form attached with the PDS
- Signing the PDS application form
- Providing your cheque for the sum you wish to invest at the time you lodge your application at either the Melbourne or Sydney office of the Manager (if you wish to invest directly into the Fund's bank account, one of the Fund Investor officers can assist with the correct bank details for you to do so)
- Providing copies of suitable identification as required by Australian law and as noted on the PDS application form
- Mailing or hand delivering your signed application plus cheque to either the Melbourne or Sydney office of the Manager or to the Custodian

- Alternatively, you can email your completed and signed application form plus directly credit the Manager or Custodian's nominated bank account with your investment monies (please refer to your closest MCCA office for further details)

Once we receive your application, your monies and your identification evidence we will process your application. The Directors will confirm your investment in the Fund and an Investment certificate will be issued to you for your initial investment and any subsequent investment, stating the number of Units you hold in the Fund. Our investment services officers at our Melbourne and Sydney offices will be able to help you throughout the application process. The contact details of our Melbourne and Sydney offices are listed in the Corporate Directory at the back of this PDS.

1.13 Do I have a cooling off period and is this investment suitable for my personal Investment needs?

There is no cooling off period once you make your initial or subsequent investments into the Fund.

Once you have made your investment you will be subject to the withdrawal of investment conditions discussed previously.

We do not offer personal financial advice. Where necessary you should refer to your financial advisor, accountant or financial planner for consideration of whether the Fund meets your personal Investment needs.

1.14 How does tax apply to this Investment?

Tax on Fund income if applicable is paid by you and not the Fund. The Manager will issue an earnings statement to each Investor for the financial year ended 30 June. This earnings statement will summarise the income and any capital components you received during the relevant year. You will need to record income received from the Fund in your tax return. Your tax obligation will depend on your personal tax circumstances and you will be taxed on Fund income at the

Section 1

The MCCA Income Fund (continued)

applicable tax rates for Australian residents. It is recommended that you provide your tax file number at the time you make your application. We may be required to take out withholding tax if you do not provide a tax file number.

The tax situation for non-Australian residents depends on whether the non-resident resides in a country that Australia has a double tax treaty with and other Australian tax regulations applicable at the time of investment. It is suggested that a non-Australian resident obtains independent advice from a suitably qualified taxation professional prior to investing in the Fund.

There are special rules for Investors who are deemed residents of the United States. The Manager may have reporting obligations to the Australian Taxation Office under the United States' Foreign Account Tax Compliance Act (FATCA). It is expected that at the time of investment, the Manager will discuss with relevant applicants the relevant FATCA requirements and reporting.

See section 8. 'Taxation' for more information about taxation implications of an investment in the Fund.

1.15 What are the credentials of the Manager to manage your investment in the MCCA Income Fund?

The Manager is MCCA Asset Management Limited who has an Australian Financial Services Licence No (AFSL) 291356 that allows it to manage the MCCA Income Fund, and also to act as its responsible entity (i.e. trustee).

The Manager's Directors and key persons nominated on its AFSL have many years' experience in funds management, property, finance and engineering. The Manager is part of the MCCA group. The MCCA group has provided Islamic finance and Investment products and services to the Australian Muslim community since 1989. The Manager has also an Australian Credit Licence No (ACL) 291356 that allows the Manager to arrange and make available finance facilities to clients.

1.16 Who holds the security taken in support of the finance facilities?

An independent third-party Custodian holds any security taken where finance facilities are granted, such as mortgages or charges over real property. As at the date of this PDS, the appointed Custodian is Sandhurst Trustees Limited. This entity has acted as Custodian since inception of the Fund in October 2009. This entity is wholly owned by the Bendigo and Adelaide Bank Limited and acts as a Custodian for many other ASIC regulated mortgage and property funds.

1.17 What is the role of the Custodian?

The Custodian, Sandhurst Trustees Limited, holds all security taken in support of finance facilities provided to clients on behalf of the Investors, acting as mortgagee or charge holder. In addition, all Fund monies including client receipts are held in a bank account operated by the Custodian.

The Custodian is not involved in the day to day management of the Fund's operations and management.

1.18 What fees and costs are applicable to your Investment in the Fund?

You do not pay fees when you make your investment in the Fund, switch your investment to another Manager-issued Investment or exit your investment if outside the 12-month minimum investment holding period. The Manager has a right to deduct administration and operational fees for managing the Fund.

The current annual management fee charged by the Manager is 2.25% of the total Fund assets, although under the Constitution the Management Fee is capped at 2.75%, including GST, of the total value of the Assets of the Fund. These fees are paid to the Manager on a monthly basis. The Distribution Entitlement paid to Investors every month is net of the Manager's management fees.

Section 4 outlines fees and costs for the Fund in more detail.

Section 1

The MCCA Income Fund (continued)

1.19 How will I be kept informed about my Investment?

The Manager is committed to the principles of continuous disclosure to Investors about the status of any investment in the Fund. Regulatory Guide 198 issued by ASIC requires the Manager to detail and inform Investors as to how the Manager will inform Investors on their investment status and overall performance of their Investment. The Manager will provide:

1. a general overview of the Fund's performance on a quarterly basis, which will be posted on the Manager's web site at www.mcca.com.au;
2. detailed status update on material changes to the Fund by direct email to each Investor. Accordingly, Investors are required to supply a valid email address throughout the term of their investment;
3. Investors with information about any meetings and other important additional information by direct email or written correspondence if of a personal or confidential nature;
4. an Annual Tax Statement required for annual taxation returns and other compliance purposes; and
5. a general summary of the Fund including annual audited accounts and other general information on the Manager's web site being www.mcca.com.au.

1.20 Will my personal details be kept private?

Except where we are required to provide your details to others under Australian law, your details and investment record remains private and confidential. Your details are not released to external parties and/or to mailing houses unless the purpose of release is to provide you information on your Investment or details of Investor meetings for purposes of the Fund.

1.21 Labour, environmental, social and ethical considerations

The Fund generally seeks to take environmental, social and ethical considerations, and labour standards into account when assessing, selecting, retain-

ing and realising investments, whether by granting finance facilities or otherwise.

The Fund is conscious of investing with good ethical behaviour at all times. The Fund seeks to ensure that it only grants facilities for uses which are environmentally friendly, socially useful, and ethical.

These considerations generally only relate to the use to which a financed property may be put, such as the type of business that may be operated from a property, or the type of tenant who may be allowed to lease a financed property.

Consequently, the extent to which these standards are taken into account is necessarily limited and there is no predetermined view about how far labour standards or environmental, social or ethical considerations will be taken into account, and there is no set approach nor timeframe for monitoring or review.

Nevertheless, the Manager always considers these standards in whether to grant a facility or not. If a business will be operated from a financed property investment, for example, then the Manager will be interested in whether a standard commercial lease is to be agreed which obliges the tenant to comply with all applicable State and Commonwealth laws, such as registering with WorkSafe or equivalent body, maintaining necessary insurances, and in operating its business is behaving ethically and is not exploiting vulnerable or at-risk persons.

1.22 So, in conclusion what are the key benefits of investing in the MCCA Income Fund?

Key benefits of investing in the Fund include are:

- Regular income
- Returns from income generated by carefully vetted finance facilities, usually secured against real property protecting return of capital invested
- 100% Shariah Compliant Investment
- Clarity - You have a defined Investment strategy outlined to you in this PDS
- Consistency - The same Manager of the Fund since October 2009

Section 1

The MCCA Income Fund (continued)

- Reporting - Detailed reporting to Investors on Fund's status and performance
- Peace of mind - Professionally managed Investment.

At the back of this PDS are the contact details for the MCCA offices in Sydney and Melbourne. We welcome your inquiry and your investment in the MCCA Income Fund.

Section 2

Investment Strategy

2.0 MCCA Income Fund Investment Strategy

2.1 The provision of finance

The fundamental investment strategy of the Fund is to offer sensible, risk managed, finance facilities which are usually secured by way of first mortgage against real property located in the major capital cities of Australia. Generally, the Fund's mortgage investments involve providing finance secured against one or more stand-alone real property, but from time to time the Fund may also provide finance to special purpose vehicles in turn holding pools of existing mortgage facilities originated by the Fund, but only where the facility enjoys security (subject to any priority arrangements with other financiers in that pool) over the mortgaged assets in that pool. Facilities secured against pools of existing mortgages will not exceed 10% of the Net Asset Value of the Fund at any time. The risks and mitigation to these risks in the Fund investing in mortgage pool(s) are detailed in section 5.3.9.

The Fund seeks to generate returns from income earned on the facilities, which usually have terms exceeding 12 months, and often much longer. Facilities are generally granted for residential owner occupier or investment, commercial owner occupier or investment, residential construction and development, or commercial construction and development purposes.

Facilities are granted only after a careful assessment of the credit risks attached to the facility, including valuations of the security or of the development on its anticipated completion.

2.2 Adherence to Shariah Finance and Investment Principles

As a Shariah compliant investment, the Fund is designed to cater for the investment needs of Australia's Muslim population and will conform with Islamic finance and investment principles. This means that the Fund will not provide finance facilities in respect of properties whose business activity conflicts with Sharia investment principles.

Examples of industries which conflict with Sharia investment principles and which may not receive finance from the Fund include:

- Tobacco
- Alcohol
- Financial services that practice conventional non Shariah finance activities
- Immoral purposes
- Gambling
- Pork food products
- Armaments and weaponry
- Hotel and accommodation premises serving alcohol
- Businesses deemed unacceptable by the Fund's Shariah Advisors

The Manager will rely on advice from the Shariah advisors, as needed, to determine whether any particular finance facility proposed by the Fund is consistent with Shariah law.

2.3 Investment Objectives

The two principal investment objectives of the Fund are to:

- provide Investors with regular income; and
- protect the investment capital of Investors.

To achieve these investment objectives, the Manager has established finance facility limits. These limits are monitored and reviewed by the Directors on an ongoing basis to help manage the risk profile of the Fund. The maximum loan to value ratios for each property type, and in respect of facilities provided to vehicles holding pools of existing mortgages, is listed in the following table:

Section 2

Investment Strategy (continued)

PROPERTY TYPE	MAXIMUM FACILITY TO VALUE RATIO
Residential established owner occupier and investment property	up to 80% of lower of acquisition cost or assessed market value
Commercial established owner occupier and investment including religious facilities and mosques	up to 70% of lower of acquisition cost or assessed market value
Residential construction and development	up to 80% of the independently assessed gross sale value of the completed development net of GST
Commercial construction and development	up to 70% of the independently assessed gross sale value of the completed development net of GST
Vacant Land (for future use, investment)	Up to 60% of the lower of the acquisition cost or assessed market value at the time of acquisition
Specialised, rural and industrial property	UP to 55% of the assessed market value at the time of acquisition

These ratios may be varied if the credit standing of a client justifies a higher facility-to-value ratio and the Manager believes that there is a comfortable level security.

The Manager has also established guidelines for the proportion of finance to be granted by property type and location, shown the table below.

The Manager may change the Fund's finance limits and availability guidelines at any time, in order to better manage the Fund's risk profile, to seek to protect Investors and or to improve the performance of the Fund.

PROPERTY TYPE	PROPORTION OF PORTFOLIO	LOCATION OF SUBJECT PROPERTY SECURITY
Residential owner occupier or investment properties that are completed	Between 35% to 80% of the total finance portfolio	90% - Australian capital cities 10% - Selected major Australian provincial and regional towns
General commercial and retail properties owner occupier and investment purposes including mosques and religious facilities	Between 0% to 45% of the total finance portfolio	90% - Australian capital cities 10% - Selected major Australian provincial and regional towns
Specialised properties including industrial, rural and vacant land	Between 0% and 5% of the total finance portfolio	100% - Australian capital cities and selected major Australian provincial and regional towns.
Construction and development facilities	Between 0% and 30% of the total finance portfolio	90% - Australian capital cities 10% - Selected major Australian provincial and regional towns
Facilities provided to pools of existing mortgages (originated by the Fund, and so already satisfying the Fund's credit criteria).	Up to 10% of the Net Asset Value of the Fund	Underlying pool mortgages: 90% - Australian capital cities 10% - major Australian provincial and regional towns

Section 2

Investment Strategy (continued)

2.4 Property development and construction finance

Given the high-risk nature of development and construction, the Fund will only provide property development and construction finance facilities which are subject to strict finance, valuation and construction drawdown monitoring conditions.

A quantity surveyor's or other suitably qualified expert's report will be obtained prior to commencement of any development finance facility to verify the development cost budget.

For construction and development facilities, valuation-to-facility ratios are based on the 'on completion' gross sale-net-of-GST value of the development. Drawdowns of facilities for construction and development purposes will be conducted on a progress-claim basis. A valuer or other suitably qualified professional will also sign off the value of works on a periodic basis throughout the construction/ development program.

2.5 Self-certified facilities

The Fund usually requires facilities to be assessed on a full documentation basis. This means that entities seeking finance must provide documentary evidence of earnings, profitability and net worth among other things. In some circumstances, the Fund will consider granting facilities to clients who self-certify their income and business earnings. However, this will only be done where the facility-to-value ratio gives the Fund comfortable security. All self-certified facilities generally will be limited to where real property security is located within a major Australian capital city.

2.6 Defaults

The Manager sends Investors quarterly reports, available on the Manager's website www.mcca.com.au, and which specify whether the Fund has suffered any defaults or arrears in its collections on finance facilities. Prospective investors in the Fund are encouraged to review prior quarterly reports to ensure that they are comfortable with the level of arrears and defaults experienced by the Fund. Some level of

arrears and defaults is expected to occur on an ongoing basis, and while the Manager makes every effort to ensure that they are not material, their size and timing are difficult to predict.

2.7 Regular Reporting

Investors will receive regular quarterly reports showing the make-up of the Fund's facilities, and the proportion of facilities by property type and location.

These reports will be available on the Manager's website at www.mcca.com.au

Section 3

Benchmarks and Disclosures

To improve the disclosure of mortgage investment funds in Australia, under its Regulatory Guide 45 Mortgage Schemes: Improving disclosure for retail investors, ASIC requires information about specific operating benchmarks. Information about these benchmarks and disclosure principles is outlined below. Benchmark reporting is conducted quarterly and the report is available on the Manager's website www.mcca.com.au

The following is a general commentary on the Fund's compliance with RG45's benchmarks, which benchmarks are stated in the left-hand column. An explanation whether the Fund meets these benchmarks is set out in the right-hand column.

Current disclosure as at 30 June 2020 is set out after the table.

RG 45 BENCHMARKS	RESPONSE
1) Liquidity The Fund keeps cash flow estimates that demonstrate the Fund's capacity to meet expenses, liabilities and other cash flow needs for the next 12 months, updated at least every 3 months to reflect any material changes and approved by the Manager's directors at least every 3 months.	 This benchmark is met. The Manager prepares 12-month forward cash flow projections for the Fund and updates such projections on a quarterly basis.
2) Scheme Borrowing The Responsible Entity does not have current borrowings and does not intend to borrow on behalf of the Fund.	 This benchmark is met. The Fund is permitted to borrow but the Fund has no borrowings and as a Shariah compliant fund the Fund will not borrow.
3) Portfolio Diversification The Fund: <ul style="list-style-type: none">a. holds a portfolio of assets diversified by size, borrower, class or borrower activity and geographic region;b. does not have a single asset that exceeds 5% of total scheme assets;c. does not have a single borrower who exceeds 5% of scheme assets;d. secures all facilities by way of first mortgage over real property.	 This benchmark is not met. The Fund does not always spread its risk in accordance with this benchmark. The scheme does hold a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region, but the risks of the Fund may be concentrated over time. Currently, no existing finance facility to a single borrower has a value which exceeds 5% of the Fund's total assets, although facilities provided to pools of existing mortgages may be up to 10% of the Fund's NAV. Generally, the Manager will seek to keep to this guideline, but this may not always be possible. Generally, all finance facilities granted by the Fund are secured by first or second mortgage or charge over real property (including registered leasehold title), and facilities provided to pools of existing mortgages are secured by mortgage or charge over the assets in the pool. By value, the Fund's existing committed commercial property finance facilities exceed 45% of the commitment value of the total facility portfolio. The Fund's concentration in commercial facilities is expected to continue for the foreseeable future, in order to attempt increase the Fund's returns. This is because in the current economic climate, residential facilities generally are more competitive, and so margins are lower than for commercial facilities. Investors should consult the commentary on portfolio size and diversification included with this report.

Section 3

Benchmarks and Disclosures (continued)

RG 45 BENCHMARKS	RESPONSE
<p>4) Related Party Transactions</p> <p>The Fund does not provide finance facilities to related parties.</p>	<p>This benchmark is not met</p> <p>The Fund has provided facilities to related parties.</p> <p>The Fund has provided facilities to the MCCA Property Fund for property acquisition and/or property development purposes. The facilities are provided on an arm's length basis.</p> <p>The Fund may provide facilities to the Directors of the Manager from time-to-time on a commercial arms' length basis. The Fund may also provide facilities to special purpose vehicles holding pools of mortgages originated by the Fund.</p> <p>Quarterly reports sent to Investors will identify loan amounts.</p>
<p>5) Valuation Policy</p> <p>The board of the Responsible Entity requires:</p> <ol style="list-style-type: none"> a valuer to be a member of an appropriate professional body in the jurisdiction where the relevant property is located; a valuer to be independent; procedures to be followed for dealing with any conflict of interest; the rotation and diversity of valuers; in relation to security property for a loan, an independent valuation to be obtained before the issue of a loan and on renewal; for development property, on both an 'as is' and 'as if complete' basis; and for all other property, on an 'as is' basis; and within two months after the directors form a view that there is a likelihood that a decrease in the value of the property may have caused a material breach of a loan covenant. 	<p>This benchmark is not met.</p> <p>This benchmark is not met in respect to rotation and diversity of valuers and a valuation will not always be instructed if the Directors are of the firm and considered opinion that the balance receivable to value ratio (BRVR) is within acceptable range despite the borrower being in default or in arrears.</p> <p>The Directors will always instruct a valuer in the event that there is a concern by Directors and Senior Management that the balance receivable-to-value position has deteriorated beyond an acceptable level and/or could result in a loss of investor capital and/or Fund income.</p> <p>Not all valuers will provide valuations for the purposes of registered mortgage fund lending, and accordingly the Manager and related entities have a limited number of independent and qualified valuers to choose from.</p> <p>In the very few instances where a formal independent valuation is not able to be obtained and the credit standing of the client meets all credit criteria, the Manager will ensure that other means of establishing market value are utilised. This may include referring to the most recent statutory rate valuation data, consultation with local estate agents and sourcing other independent evidence to establish value.</p>
<p>6) Financing Principles - Balance Receivable to valuation ratios</p> <p>If the Fund directly holds mortgage assets:</p> <ol style="list-style-type: none"> where the facility relates to property development, funds are provided in stages based on independent evidence of the progress of the development; where the facility relates to property development, the scheme does not finance more than 70% on the basis of the latest 'as if complete' valuation of property over which security is provided; and in all other cases, the scheme does not provide facilities for more than 80% of the latest market valuation of property over which security is provided. 	<p>This benchmark is met.</p> <p>The Manager has a defined progress claim certification process.</p> <p>The Fund provides only up to 80% of the 'as if complete' valuation for residential property development and construction.</p> <p>The Fund does provide facilities in very selected cases where the facility to value ratio exceeds 80% and at the latest reporting date (June 30, 2020) there are no facilities out of 132 facilities where the facility to loan ratio exceeds 80%.</p>
<p>7) Distribution Practices</p> <p>The Responsible Entity will not pay current distributions from scheme borrowings.</p>	<p>This benchmark is met</p> <p>The Fund does not pay distributions out of borrowings.</p>

Section 3

Benchmarks and Disclosures (continued)

RG 45 BENCHMARKS	RESPONSE
<p>8) Withdrawal Arrangements</p> <p>For liquid schemes:</p> <ol style="list-style-type: none">The maximum period of time allowed for in the constitution for the payment of withdrawal requests is 90 days or less;The responsible entity will pay withdrawal requests within the period allowed for in the constitution;The responsible entity only permits members to withdraw at any time on request if at least 80% (by value) of the scheme property is: (i) money in an account or on deposit with a bank and is available for withdrawal immediately, or otherwise on expiry of a fixed term not exceeding 90 days, during the normal business hours of the bank; or (ii) assets that the responsible entity can reasonably expect to realise for market value within 10 business days. <p>For non-liquid schemes, the responsible entity intends to make withdrawal offers to investors at least quarterly.</p>	<p>This benchmark is not met</p> <p>The Fund does not have a withdrawal scheme nor does it make withdrawal offers to Investors at least quarterly. Investment in the Fund should be considered illiquid.</p>

BENCHMARK REPORTING AND CONTINUOUS DISCLOSURE - AS AT 30 JUNE 2020

We confirm as required by regulatory guide 45 (RG45) as issued by ASIC to inform investors and prospective investors that we meet 4 out of the 8 benchmarks outlined in RG 45. All future disclosures on benchmark reporting and Fund status will be made in our quarterly report that will be posted on our web site (www.mcca.com.au).

A discussion of each benchmark for purposes of RG 45 as at the latest reporting date being 30 June 2020 and whether we meet the benchmark follows.

Benchmark and Disclosure Principle 1: Liquidity

For a pooled mortgage fund, the responsible entity has cash flow estimates for the scheme that:

- Demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;
- Are updated every three months and reflect any material changes; and
- Are approved by the Directors of the responsible entity at least every three months.

This benchmark is met. The Manager reviews the liquidity of the Fund on a monthly basis.

Benchmark and Disclosure Principle 2: Scheme borrowing

The responsible entity does not have current borrowings and does not intend to borrow on behalf of the scheme. This benchmark is met.

Benchmark and Disclosure Principle 3: Portfolio and diversification

For a pooled mortgage scheme;

- The scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region;
- The scheme has no assets in the scheme portfolio that exceeds 5% of the total scheme assets;
- The scheme has no individual borrowers who exceeded 5% of the scheme's assets; and
- All finance contracts made by the scheme are secured by first mortgages over real property (including registered leasehold title)

This benchmark is not met. The Fund currently holds commercial facilities with an aggregate commitment amount that exceeds than 45% of total facility commitments. This is expected to continue for the foreseeable future in order to attempt to increase the Fund's returns. Investors should consult the commentary on portfolio size and diversification included with this report.

Section 3

Benchmarks and Disclosures (continued)

Benchmark and Disclosure Principle 4: Related party transactions

The Manager does not lend to related parties or associates of related parties.

This benchmark is not met, as there are facilities provided by the Fund to the MCCA Property Fund, which is also managed by the Manager. These facilities are provided on a full facility documentation basis and adopting the same credit policy and criteria considered for non-related party clients. From time to time the Manager may enter into facilities on a full documentation, arms-length basis applying the Fund's usual credit standards and policies as they may apply to related parties, directors and/or staff, associates of directors and other registered investments that the Manager may manage. The Manager has a detailed related party and conflict of interest policy to manage and deal with related party facility transactions.

Details of related party loans are presented as part of the quarterly MCCA Income Fund status report that is able to be downloaded from the Manager's website www.mcca.com.au. The MCCA Income Fund report is updated on a quarterly basis typically on or about 30 June, 30 September, 31 December and 31 March each year. Accordingly, investors are advised to visit the website of the Manager on a frequent basis to view the Fund's quarterly update and status report.

Disclosure - related party facilities provided by the MCCA Income Fund to the MCCA Property Fund

The MCCA Property Fund (ARSN 116 851 980) is a Shariah compliant retail managed investment scheme issued and managed by the Manager. All facilities from the Fund to the MCCA Property Fund have been made on arm's length basis and are provided according to the Manager's credit criteria.

Facilities advanced to the MCCA Property Fund are secured by way of first registered mortgage. The Fund will be repaid from income generated by the financed property or else from profit on development activities. All property developments are located

within metropolitan Melbourne. Prior to the issue of this PDS, the Fund was limited to providing finance to the MCCA Property Fund at no more than 33.33% facility-to-value ratio. As at date of this report, there are two facilities provided by the Fund to the MCCA Property Fund which have defaulted, and recovery action has commenced. Details are contained in the Fund's most recent quarterly report available on the Manager's website www.mcca.com.au.

Benchmark and Disclosure Principle 5: Valuation policy

In relation to valuations, the scheme requires;

- a. The valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;
- b. A valuer to be independent;
- c. Procedures to be followed in dealing with any conflict of interest;
- d. The rotation and diversity of valuers;
- e. In relation to security property for a finance contract, an independent valuation to be obtained;
 - before an issue of a finance contract or on renewal:
 - i. For development property on both an 'as is' and 'if complete' basis
 - ii. For all other property on 'as is' basis; and
 - within 2 months after the Directors form a view that there is likelihood that there is a decrease in the value of security property may have caused a material breach of a finance contract covenant.

This benchmark is not met in respect to rotation and diversity of valuers and a valuation will not always be instructed if the Manager is of the firm and considered opinion that the balance receivable-to-value ratio (BRVR) is within acceptable range despite the borrower being in default or in arrears. The Manager will always instruct a valuer in the event that there is a concern that the BRVR has deteriorated beyond an acceptable level. Not all valuers will value for purposes of registered mortgage fund lending and accordingly the Manager and related entities have a

Section 3

Benchmarks and Disclosures (continued)

limited number of independent and qualified valuers to choose from.

In the very few instances, where a formal independent valuation is not possible and the credit standing of the client meets all credit criteria, the Manager will seek to ensure that other means of establishing market value are utilised. This may include referring to the most recent statutory rate valuation data, consultation with local estate agents and sourcing other independent evidence to establish value.

Benchmark and Disclosure Principle 6: Lending Principles (Balance Receivable to Value Ratio)

If the scheme directly holds mortgage assets;

- a. Where the facility relates to property development - funds are provided to the borrower in stages based on independent evidence of the progress of the development;
- b. Where the facility relates to property development - the scheme does not lend more than 70% on the basis of the latest 'as if complete' valuation of which security is provided; and
- c. In all other cases - the scheme does not finance more than 80% on the basis of the latest market valuation of property over which the security is provided.

This benchmark is met.

Benchmark and Disclosure Principle 7: Distribution Practices

The responsible entity will not pay distributions from scheme borrowings. This benchmark is met.

Disclosure Principle 8: Withdrawal arrangements

For liquid schemes:

- a. The maximum period of time allowed for in the constitution for the payment of withdrawal requests is 90 days or less;
- b. The responsible entity will pay withdrawal requests within the period allowed for in the constitution;
- c. The responsible entity only permits members

to withdraw at any time on request if at least 80% (by value) of the scheme property is: (i) money in an account or on deposit with a bank and is available for withdrawal immediately, or otherwise on expiry of a fixed term not exceeding 90 days, during the normal business hours of the bank; or (ii) assets that the responsible entity can reasonably expect to realise for market value within 10 business days.

For non-liquid schemes, the responsible entity intends to make withdrawal offers to investors at least quarterly.

This benchmark is not met.

The Fund does not have a withdrawal scheme or arrangement.

While the Fund maintains a cash component as part of total Fund assets, the Manager does not warrant that withdrawal requests can be met on demand. The Fund requires Investors to maintain their investment for a minimum period of 12 months before a withdrawal request can be made. There are allowances made by the Manager in instances of hardship. In the event that a withdrawal request is deemed by the Manager to be able to be made, then the Manager will generally meet the withdrawal request within 28 days of the written withdrawal request being made by the Investor.

Section 4

Fees



4.1 Fees and Other Costs

The warning statement below is required by law to be displayed at the beginning of the 'Fees and other costs' section of product disclosure statements for managed investment products. The example given in the warning statement does not relate to any investments described in this PDS.

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 fund 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 fees based on your own circumstances, the Australian Securities and Investments Commission website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Information about taxes are set out in Section 2.

You should read all the information about fees and costs because it is important to understand their impact on your investment. A table summarising the fees and costs of an investment in the Fund are shown below.

Section 4

Fees (continued)

Fees and Costs Summary

The MCCA Income Fund		
TYPE OF FEES	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the Fund		
Establishment fee: The fee to open your Investment	Nil	Not applicable.
Contribution fee: The fee on each amount contributed by you to your Investment	Nil	Not applicable.
Withdrawal fee: The fee on each amount you take out of your Investment	Nil if the investment is held for more than 6 months or if the Directors have approved the withdrawal of Investments held for less than 6 months due to hardship accepted by the Directors.	Not applicable.
Early withdrawal fee: If early withdrawal is authorised other than for hardship reasons, then a Transaction Fee may be payable, as determined by the Board from time to time	Up to a maximum of 0.55% of your Investment and subject to a minimum of \$55. Early withdrawal authorisations are not automatic.	Payable to the Manager at the time of withdrawal.
Termination fee: The fee to close your Investment	Nil if the Investment is held for more than 6 months or if the Directors have approved the termination of Investments held for less than 6 months due to hardship or other circumstances accepted by the Directors. Investors may be liable for bank charges and administrative fees for termination of their Investment.	Payable to the Manager at the time of termination.
Management Costs		
The fees and costs for managing your Investment	Management Fee: 2.25% of the Fund's Assets payable to the Manager.	Paid by the Fund monthly in advance based on the Fund Asset value at the end of the last month, with adjustment monthly in arrears.
Referral fee paid on finance contracts	We generally charge the borrower an upfront fee of between 0.0% and 2.5% of the finance amount. A person who introduces the customer to the Fund, usually a finance broker, generally receives up to 50% of this amount. In addition, we may pay an ongoing finance referral fee for borrowers referred to the Fund, usually to a finance broker and generally of between 0.20% and 0.50% p.a. This may be higher in some cases.	MCCA and other parties unrelated to MCCA who have been involved in the origination of the finance contract will share in the balance of the upfront fee.
Service Fees		
Switching Fee:	Nil	Not applicable
The fee for changing Investment options	Nil	Not applicable
Bank Account Cheque Fee: For each distribution by cheque, or bank account details change, or account redirection request (except for deceased estates).	\$16.50	The fee is deducted from your distribution entitlement at the time of the cheque issue, bank account details change or transaction account redirection.
Document Issue Fee: Request for a replacement document or copy of a custody record.	\$16.50 per document	The fee is payable by you at the time of the request.

Section 4

Fees (continued)

Note:

1. The Constitution allows a management fee of up to 2.75% of the Fund's assets to be charged by MCCAAM. Changes in the actual management fee charged to the Fund will be advised to Investors 30 days in advance prior to the date that the change in management fee is to take place.
2. The management fee does not include establishment fees which the Manager or an associated entity may be entitled to receive on the establishment of a facility product with a Customer. These fees are paid directly by the Customer and are not an additional cost to Investors of the Fund.

The facility establishment fee will generally be between 0.55% and 1.65% of the value of the amount advanced by the Fund to the Customer. See section 4.4 for further information.

4.2 Differential fees for different classes of Investors

We reserve the right to charge certain sophisticated or professional Investors or wholesale Investors management fees that differ from the fees outlined in the table above or that may apply generally to Investors. These fees will be based on individual negotiation between MCCAAM and the sophisticated or professional Investor or wholesale Investor. Such negotiated fees will be entirely at our discretion, and will be subject to relevant guidelines issued by ASIC.

4.3 Changes in Fees

All fees and other costs disclosed in this PDS are subject to change. New fees and charges may be introduced from time to time. We will give you 30 days' advance notification of any fee changes and advise you of the date proposed for implementation of the revised fee, or introduction of a new fee. Normal Government charges will also apply to all Fund transactions. Increases to the maximum level of the management fee set out in the Constitution cannot be made without the approval of a meeting of Unit holders.

4.4 Commissions paid to third parties

MCCAAM does not pay introducer fees or commissions to financial planners or advisors who may introduce Investors into the Fund or otherwise assist you with your investment in the Fund. It is the duty of the financial planner or advisor to advise you of any fees that they have charged you.

We can charge the client to Finance a transaction with the Fund an upfront fee of between 0.55% and 1.65% of the facility amount. A person who introduces a client to the Fund generally receives up to 50% of this amount. This commission is paid out of the upfront fees that MCCAAM receives from the clients as part of their finance application and are not additional amounts that you as an Investor in the Fund have to pay.

4.5 Additional financial advisor fees

The fees in the above table are fees charged by MCCAAM for managing the Fund. We will not pay fees on your behalf to your financial adviser or for any personal financial advice provided to you by your advisor. You must arrange to pay any such fees to your financial advisor.

4.6 GST and Stamp Duty

All fees stated in this PDS include (if applicable):

- a. GST less any reduced input tax credits; and
- b. Stamp Duty.

4.7 Example of annual fees and costs for the Fund

The following table gives an example of how the fees and costs in the Fund can affect your Investment over a 1-year period.

You should use this table to compare the Fund with other managed Investment products.

This example assumes that there is no withdrawal fee on withdrawal requests from the Investor.

This example does not take into account any costs or expenses incurred in relation to the Fund, which

Section 4

Fees (continued)

would be additional to any management fees charged by MCCAAM.

The Manager will be entitled to reimbursement of costs incurred in recovering a facility that is outstanding and/or in default.

It is important to note that the fees shown in the example in the table above are NOT extra fees that you have to pay. We take these fees into account in determining the return from your Investment. Your Distribution Entitlement is paid to you after these fees have been accounted for.

EXAMPLE – MCCA INCOME FUND

BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR

TYPE OF FEES	AMOUNT	HOW AND WHEN PAID
Contribution Fees	Nil	Not applicable.
Plus Management Costs	Management Fee: 2.25%	And, for every \$50,000 you have invested in the Fund, the Fund will be charged up to \$1,125 each year

Equals Cost of the MCCA Income Fund

If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 at the end of the year, the Fund would be charged fees of \$1,125.

What is costs you will depend on the fees you negotiate.



Section 4

Fees (continued)

4.8 Additional explanation of fees and charges

Management fees

Management costs include the Manager's management fee plus ordinary expenses of operating the Fund including but not limited to the Custodian's fees, accounting and audit fees, legal fees and other recoverable expenses such as the cost of the PDS, the cost of meetings of Unitholders and other ordinary Fund administration charges.

The management costs shown above do not include extraordinary expenses (if they are incurred in the future) such as litigation costs, the costs of convening member meetings, and other costs.

In addition, management costs do not include transactional and operational costs (i.e. costs associated with investing the underlying assets).

The Manager may waive its fees in whole or in part. If it does so, the amount available for distribution to Unitholders will increase.

The Manager has a right to vary the management fee to the maximum allowed in the Constitution, which is 2.75% of the Fund's Assets. Fee changes will only be made after giving not less than 30 days written notice to Investors or by the issue of a supplementary or new PDS. The Manager has a right to pass on to the Fund its costs of recovery for client facilities in default.

Contribution fees

No contribution fees apply.

Other costs and expenses

In addition to the fees set out in the Summary of Fees and Costs, you may also incur other costs such as government taxes, mortgage registration fees and bank fees. These costs will be directly deducted from the assets of the Fund. Because these costs vary, we cannot generally estimate them.

Taxation

Please refer to section 8 'Taxation' for a description of how taxation may affect the costs of the Fund.

Is the benefit of any tax deduction passed on to investors in the form of a reduced fee or cost?

No. The Fund does not expect to pay tax on its own behalf and tax liabilities should flow through to Investors in the Fund. Fees and costs will not be reduced because of any tax liability owed by the Fund.

Is the benefit of any tax deduction passed on to investors in the form of a reduced fee or cost?

No. The Fund does not expect to pay tax on its own behalf and tax liabilities should flow through to Investors in the Fund. Fees and costs will not be reduced because of any tax liability owed by the Fund.

Transactional and operational costs

In managing the assets of the Fund, the Fund may incur transaction costs such as documentation costs, registration costs and settlement costs when assets are bought and sold. This generally happens when the assets of a fund are changed in connection with normal trading or when there are applications or withdrawals which cause net cash flows in and out of a fund. Since there is no Buy/Sell Spread, transactional and operational costs are reflected in the unit price of the Fund and reflected in the return paid to investors, they are an implicit cost and are not a fee paid to the Manager. During the financial year ended 30 June 2020, the total transaction costs for the Fund were estimated to be 0.40% of the NAV of the Fund.

Can fees change?

Yes, all fees can change without investor consent. In most cases the Constitution defines the maximum fees that can be charged for fees described in this PDS. The Manager has the right to recover all proper and reasonable expenses incurred in managing the Fund, which may increase or decrease over time. Investors will usually be given 30 days prior notice of any proposed change to the management costs. Other expense recoveries may change without notice, for example, when it is necessary to protect the interests of existing Investors and if permitted by law.

Differential fees

In some circumstances the requirements of Part 3.5D

Section 4

Fees (continued)

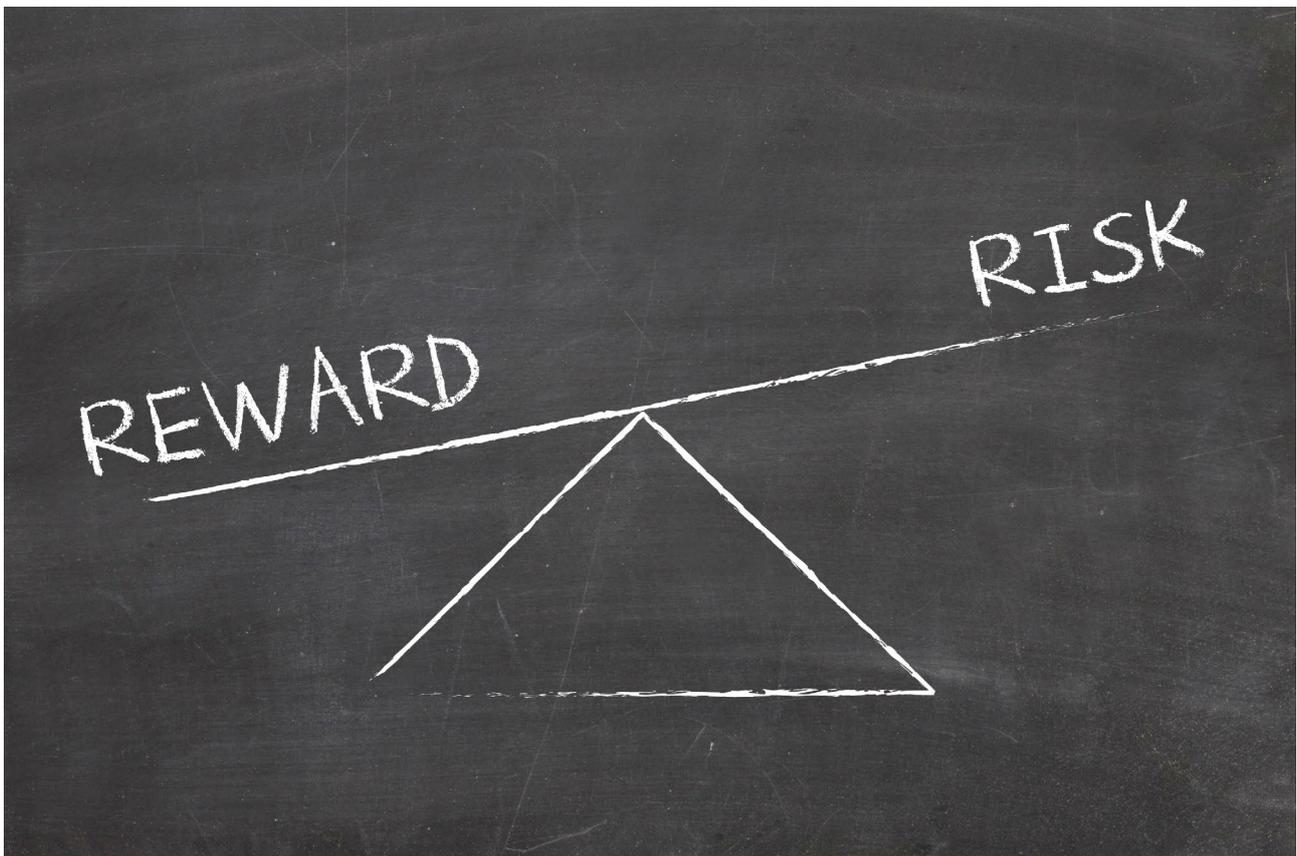
of the Corporations Act will require that a lower fee be charged, for example to a charitable trust. Furthermore, the Manager may negotiate a Unit Price, together with any fees to be paid, with a Wholesale Investor on an individual basis. Under the Fund's Constitution, this must not adversely affect the fees that are paid or to be paid by any other Investor who is not a party to the arrangement. The Manager will disclose arrangements with Wholesale Investors to other Investors by no later than the date of the first communication by the Manager to all Investors which is made after the fee arrangement is first entered into.

Contact details for any discussion about fees and costs

Please contact Nadeem Butt at the Manager on Nadeem.butt@mcca.com.au or 1 300 724 734, if you wish to discuss the fees and costs of the Fund. Details of transactional and operational costs such as buy-sell spread, including: description of cost, amount, how/when recovered, statement that cost is additional, whether buy/sell is paid to issuer

GST

All fees and other costs include GST less any reduced input tax credit.



Section 5

Risks of Investing in the MCCA Income Fund

All investments carry an inherent level of risk. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest expected returns may also carry the highest level of expected risk as defined by the variability of fund returns.

The value of your investment in the Fund will fluctuate and there can be no guarantee against capital loss, nor can there be any assurance that the Fund's or any Sub-scheme's investment objective will be attained. Neither the liquidity of the Fund nor the ability to redeem your investment from the Fund within the timeframes specified in this PDS are guaranteed.

Past performance is not a guide to future returns and should not be relied on in making an investment in the Fund.

Risks attaching to Investment in the Fund include:

- You may not receive the income return you expected;
- You may lose some or all of your capital;
- and There may be delays in redemption of capital or payment of income.

Delays in repayment, loss of interest and capital, and fluctuation of investment returns may occur as part of the risks of investing in the Fund. The degree of risk associated with an investment in this Fund as to the loss of capital or receipt of income relates to the financial performance of the Fund and to fluctuations in the value of the underlying security properties. These will be affected by factors including customer's ability to repay, MCCAAM's competence in managing its finance products, the Fund's underlying assets, fluctuations in the property market generally and fluctuations in finance market conditions. These latter two in turn are influenced by external factors outside the Fund such as general economic conditions and government policy.

MCCAAM, its Directors and employees, any related company, MCCAAM's Authorised Representatives (if applicable) do not guarantee the performance of the investments of the Fund, the rate of return of the Fund or the repayment of capital invested.

There are numerous risks associated with investing in any form of business and with investing in Units in particular. The following list is not exhaustive. All Investors should read this PDS in entirety and consult their professional advisers if they are in doubt as to any aspect of this PDS or any matters relating to an investment in the Fund.

This Section is not intended to be an exhaustive list of the considerations to be taken into account by an Investor or of the risk factors to which the Fund is exposed.

Some of these risks can be mitigated by the use of safeguards and appropriate systems and actions, but many are outside the control of the Fund and cannot be mitigated. The Board has adopted policies and procedures to control, and limit the Fund's exposure, to these risks.

5.1 General risk factors

The future viability and profitability of the Fund and MCCAAM will be dependent on a number of factors, including but not limited to the following general risks.

5.1.1 Changes in economic conditions

The financial performance of the Fund can be affected by changes in economic conditions in Australia, particularly:

- Australian finance market conditions, that could affect the level of competition and available market unit and pricing dynamics;
- Australian housing finance market performance, which would affect the performance of the housing finance asset portfolio of the Fund;
- Employment levels and labour costs, which would affect the operating cost structure of the Fund.

5.1.2 Changes in regulatory and legal environment

Potential changes to the Australian regulatory environment may have an adverse material impact on

Section 5

Risks of Investing in the MCCA Income Fund (continued)

the financial performance of the Fund, particularly with respect to the costs associated with compliance assurance.

This risk includes changes to:

- Accounting standards;
- Taxation legislation and authorised determinations;
- Regulatory requirements, including any licensing obligations.

5.2 Specific risks associated with the Units

The Fund has inherent risk because of the nature of the business and assets of the Fund. There is no secondary market for the Units in the Fund. It is not proposed to apply to list the Fund's Units on the ASX or any other Stock Exchange. Investors may sell or transfer their Units at any time by finding their own buyer for the Units, subject to the provisions of the Corporations Act (including approval by the Board of MCCAAM) and the Fund's Constitution. The Constitution stipulates that a Unitholder may not hold more than 10% of the Units of the Fund directly or indirectly without the consent of the Board of the Manager - see Section 1.8. Should a Unitholder sell Units through a securities dealer, then brokerage may apply.

An investment in the Fund carries no guarantee with respect to return of capital or payment of distributions. Units in the Fund should be considered illiquid.

5.3 Specific risks associated with the Fund's business

The Fund is a registered managed Investment scheme. The financial prospects of any business are sensitive to the underlying characteristics of its business and the nature and extent of the commercial risks to which it is exposed. An investment in the Fund carries with it risks normally associated with investment in a business of this type.

There is also a range of specific risks associated with the Manager's business and its involvement in the finance industry and in its endeavours to provide dual-compliant financial products in Australia. Many

of these risk factors are largely beyond the control of the Manager and its Board of Directors because of the nature of the Fund's proposed business.

Property development and construction finance is higher risk finance. Builder insolvency, construction delays, cost overruns and downward property market conditions may adversely impact on the return of Investor monies and distribution of earnings. While the Manager will employ risk mitigation strategies, development and construction risks cannot be entirely eliminated.

Common risks managed by MCCAAM in respect to the Fund are:

5.3.1 Liquidity risk

Liquidity risk is the inability to meet financial obligations as and when they fall due as a result of a mismatch in the cash flows of financial transactions.

5.3.2 Risk on rate of return - official finance rates in the Australian market

In any given market, competition may change due to decisions of market participants and this may impact on the rates of return of the Fund's finance products and on return rates for lending in the Fund's mortgage origination business.

Official financing rates are subject to movement based upon economic decisions made by the Reserve Bank of Australia. Changes in official finance rates, particularly increases, may impact on the rates of return of the Fund's finance products and on demand for facilities and on rates of return for finance in the Fund's finance origination business.

5.3.3 Credit risk

Credit risk can occur where the certainty of repayment of finance assets held by the Fund and receivable from creditors is eroded and these finance assets are written down as partially or wholly irrecoverable. Again, changes in official finance rates, particularly increases, may impact on the ability of creditors to

Section 5

Risks of Investing in the MCCA Income Fund (continued)

maintain payment programs under the Fund's financial products.

5.3.4 Operational risk

Operational risk occurs where the daily operations of the Fund may result in financial loss due to failures associated with personnel, systems or processes, such as the failure to comply with laws, error, fraud or information systems malfunction.

5.3.5 Banking risk

The Fund may require normal bank funding to fund part of its business activities. There is a risk that the Fund banker's finance criteria may change and alternative funding for business development may need to be found.

5.3.6 Financial products based on Islamic principles

Changes in government policies may impact upon the ability of the Fund to provide finance under Islamic or Shariah principles. Adverse changes in such things as fiscal policies and monetary and migration policies are outside the control of the Fund and may result in material adverse impacts on the Fund. The provision of finance under Islamic principles, in particular dual-compliant financial products, is difficult because of potential or actual conflicts between the Australian legal principles governing the issue of debt and equity securities and Shariah principles. The Fund may experience difficulty in developing financial products that comply with both Australian legal principles governing the issue of debt and equity securities and Islamic Shariah principles. The inability to develop such products, or to develop them at a rate and at a cost that is economically viable, may affect the Fund's growth prospects.

5.3.7 Fund management risk

There is a risk that a customer may default in payment of obligations under their facility agreement. The Manager will seek to ensure that default management activities are undertaken automatically. If

default occurs, the Manager will take all necessary action to remedy the default, including:

- pursuing recovery of arrears of income and capital;
- issuing and executing all default notices and other notices of demand;
- taking possession of the security property;
- exercising the power of sale pursuant to the mortgage; and
- otherwise dealing with the security property and collateral security to protect the Investors' interests.

5.3.9 Low documentation financing"

There is a risk with "low documentation financing" or "self-certified documentation financing" that the information provided by the customer may not be complete or verified by supporting documentation. The Manager seeks to manage this risk by obtaining all the information it considers necessary to assess the creditworthiness of the client, conducting a credit check on the client, and ensuring that it has an appropriate valuation for the security property.

5.3.10 Investment in mortgage pool(s)

The Fund's investment in a Special Purpose Vehicle (SPV) holding a mortgage pool carries risks of loss in the event of default of mortgages in the pool, and recoveries by the pool are insufficient to repay the Fund's investment in whole or in part after accounting for priority financiers in the pool. This risk is mitigated in certain respects. Firstly, mortgage assets in any pool will be originated by the Fund and therefore the quality and standing of the mortgage assets in any pool should be known. Secondly, in an event of a pool default and recovery of mortgaged assets, the first level of loss usually would be borne by other parties to the SPV and not by the Fund.

5.4 Investor's liability

You are bound by the provisions of the Fund's Constitution. The Fund's Constitution contains a provision limiting your liability to your Investment in the Fund, and accordingly we have no claim against you beyond

Section 5

Risks of Investing in the MCCA Income Fund (continued)

this. However, the determination of your ultimate liability rests with the courts.

The Manager is not liable for any loss or damage to any person including any Investor arising out of any

matter unless, in respect of that matter, the Manager acted (i) otherwise than in accordance with the Fund's Constitution and its duties and (ii) without a belief held in good faith that it was acting in accordance with the Fund's Constitution or its duties.



Section 6

The Key Persons Involved in The MCCA Income Fund

6.1 Background to MCCAAM and the MCCA Group

MCCAAM is part of a group of associated entities (the "MCCA Group"), consisting of:

- Muslim Community Co-operative (Australia) Limited (the Co-operative)
- MCCA Limited
- MCCA Asset Management Limited (MCCAAM)

The MCCA group comprise corporations registered under the Corporations Act 2001. All entities as at the date of this PDS in the MCCA group have the same Directors. The Directors as at the date of this PDS are listed in Section 6.2.

Since 1989, the MCCA group has been involved in the origination and issue of Shariah compliant finance and investments. The MCCA group is Australia's oldest and continuously trading finance and investment organisation formed for the purpose of assisting Australian Muslims.

MCCAAM has an Australian Financial Services Licence (No. 291356) and Australian Credit Licence (No. 291356). The Manager has registered with ASIC in addition to the MCCA Income Fund, the MCCA Property Fund. The MCCA Property Fund is a direct property investment fund subscribing to Shariah Investment and finance principles.

6.2 Directors of MCCAAM and Key Persons in the Management of the Fund

The Directors of MCCAAM at the date of this PDS are:

PROFESSOR AKHTAR KALAM BSc, BScEng, MS, PhD, FIEAust, CPEng, FIEE, CEng, MIEEE

Chairman

Professor Akhtar Kalam is a Professor and former Deputy Dean at the Faculty of Health, Engineering and Science at Victoria University. He is a graduate from the Universities of Bath (UK), Oklahoma (US) and Aligarh (India) in Electrical Engineering. He is a Fellow and member of the Institute of Engineers (Australia, UK & US). Professor Kalam is author of many books, publications, articles and papers in his 27-year academic career. He has served as Chairman

of MCCA since 2005, Director since 2002 and was a founding member of MCCA (1989). Professor Kalam has been an Independent Director of MCCAAM since March 2009.

ASSOC. PROF ALADIN ZAYEGH BEng, PhD, FANCE, MEAust, CPEng, MIEEE

Independent non-executive Director

Dr Zayegh is Associate Professor and former Head of the School of Electrical Engineering Faculty of Health, Engineering and Science at Victoria University. He is a graduate from the University of Claude Bernard in France (with a PhD in Electronics) and from the University of Aleppo, Syria, with a B. Eng. in Electrical Engineering. Dr Zayegh has chaired many International Conferences, written for many publications, is a member of many professional institutions and produced many research papers in his 28-year academic career. Dr Zayegh is an active and well-respected Muslim community member holding many important positions over the past two decades, notably former Vice-President of Islamic Council of Victoria (ICV) 2000-2004. He currently acts as the Muslim Hospital Chaplains Coordinator (since 2004). Dr Zayegh has been a director of the Co-operative since 2003. Dr Zayegh has been an Independent Director of MCCAAM since March 2009.

DR SEGU MOHIDEEN ZUHAIR BSc, MSc, MBus, PhD, CPA

Independent non-executive Director

Dr Zuhair was until recently a Senior Lecturer in economics at Victoria University. He is currently a lecturer at Melbourne Polytechnic. Dr Zuhair is also a qualified CPA and has many years' experience in the academia and academic research. He has expertise in the fields of finance, quantitative methods and economics. Dr Zuhair has been an Independent Director of MCCAAM since February 2011.

MR HISHAM MOUSTAFA BA, Dip Risk Mgt, Dip Mgt

Independent non-executive Director

Mr Hisham Moustafa has extensive experience in risk management, governance and insurance. He is current Assistant Director, Risk and Insurance at the Victorian Department of Economic Development, Jobs, Transport and Resources. Mr Moustafa has held

Section 6

The Key Persons Involved in The MCCA Income Fund (continued)

positions with the Islamic Council of Victoria, and the Muslim Emergency Management Organisation. He is currently chair of the Audit Committee. Mr Moustafa has been an Independent Director of MCCAAM since January 2014

MR KINGSLEY DAVID MBA MAppFin F Fin MRMIA
Executive Director

Mr David has more than 30 years' experience in financial services, including most recently 8 years as local Director of Kuwait Finance House Australia, the local subsidiary of Kuwait Finance House K.S.C., one of the foremost Islamic financial institutions in the world established in the state of Kuwait in 1977. He has also previously held systems and credit risk analytical roles with National Australia Bank Ltd as well an association since 1996 with the MCCA Group as Vice President-Finance & Accounting at the Co-operative over a period of 5 years. Mr David was appointed as Executive Director of the MCCA Group in July 2016.

MR NAZEH BAARINI Master of Professional Accounting, Course in Property (Agents' Representatives)
Independent non-executive Director

Mr Nazeah Baarini is the founder and managing director of Baarini & Associates, a firm of Corporate Tax Accountants & Consultants. Mr Baarini is practicing as a professional accountant and Tax Consultant for the last 18 years. Mr Baarini has been a Lecturer at Central Queensland University - CQU. He is highly experienced and quite up to date with the banking, taxation, superannuation and financial laws and regulations of Australia. He holds memberships of Institute of Financial Accountants, Institute of Public Accountants, Association of Taxation and Management Accountants, Australian Institute of Management. He is Executive Board Member of Islamic Council of Victoria, Australia Lebanon Chamber of Commerce & Industry, Arab Chamber of Commerce & Industry. Mr Baarini has been an independent director of MCCAAM since November 2017.

MS FATOUM SOUKI
Independent non-executive Director

Ms Souki is a member of Law Institute of Victoria, she is a practicing Solicitor at her law practice, Souki Lawyers and has a strong commitment to the com-

munity. She previously held the position at the Islamic Council of Victoria as the President for the Office for Women as well as a committee member of the Victorian Arabic Social Services and Australian Arabic Women's Group. Ms Souki is also an active member of the Australian Islamic Centre and she was awarded the Victorian Women Lawyers 2009- 2010 Community Justice Award. Fatoum also received the Hobson's Bay City Council 2013 Inspirational Women Awards. Ms Souki was appointed as an Independent Director of MCCAAM in January 2019.

The Australian Financial Services Licence granted by ASIC to MCCAAM requires key persons to be appointed responsible for ensuring compliance with the terms and conditions of the AFSL. For the purposes of the Australian Financial Services Licence, the key persons named on the AFSL, and the compliance officer are:

DR PASQUALE FRANZESE B.A, B.Bus, B.Com, MBA, M.Com, PhD, Dip.AdvTax, Dip.DataProc, CPA, AFin
Compliance Officer

Dr Franzese has over 30 years' experience in banking, tax effective financing, property finance, investments and management. He was previously a senior manager at National Australia Bank (NAB) where he was involved in a variety of large-scale property acquisition and financing projects. Prior to joining NAB, Pasquale worked as a merchant banker for the Australian subsidiaries of Toronto Dominion Bank and Kuwait Asia Bank E.C. He has extensive experience in banking and finance and has satisfied ASIC Regulatory Guide RG 146 compliance requirements. Dr Franzese has since November 2005 been a key person for the purposes of the AFS Licence granted to MCCAAM. He is also the Compliance Officer for purposes of the MCCA Income Fund and the MCCA Property Fund.

MR HADI SHEHATA B.COM, M.ACCOUNTING, CPA
Key Person (Responsible Manager) noted on the AFSL

Mr Shehata is a responsible manager for the purposes of the MCCA Income Fund and the AFSL issued by ASIC to MCCA Asset Management Limited. He is the State Manager NSW for the operations of MCCA group of companies. Since 2011, Mr Shehata also has

Section 6

The Key Persons Involved in The MCCA Income Fund (continued)

been a responsible manager for the Australian Credit Licence issued to MCCA Asset Management Limited. He holds graduate and postgraduate qualifications in accounting, finance and financial planning and has responsibility for the mortgage management operations of the MCCA group of companies.

MR NADEEM BUTT FCCA, ACA

Key Person (Responsible Manager) noted on AFSL

Mr Butt is a member of the Institute of Chartered Accountants in Australia and a fellow of Association of Chartered Certified Accountants of UK. He is the Chief Financial Officer for the MCCA group. Prior to commencing with the MCCA group, Mr Butt has worked for a number of organisations in the financial sector including superannuation and fund managers in Australia, South Africa and his native Pakistan. He was appointed in 2012 a responsible manager for purposes of the AFSL issued to MCCAAM by ASIC.

Pakistan and a PhD in Islamic Culture from the University of Sindh (1993) Pakistan. Dr Shabbir is a Member of the Australia National Imams Council (ANIC)

The MCCA Income Fund has been determined to be Shariah compliant by the Shariah Advisors appointed by MCCAAM. A copy of the Fatwa (Pronouncement of Shariah Advisors) issued by the Shariah Advisors noting that the MCCA Income Fund is Shariah compliant is enclosed in this PDS. The Shariah Advisors engaged by MCCA Asset Management Limited do not participate in the day-to-day management of the Fund. In addition, none of the Shariah Advisors sit on the Board of MCCA Asset Management Limited nor do the Shariah Advisors influence or direct investment policy and management of the Fund.

6.2 Shariah Advisors

The Manager has appointed Shariah Advisors. As at the date of this PDS the Shariah Advisors appointed by the Manager are as follows:

DR IBRAHIM ABU MUHAMMAD

Dr Muhammad was appointed to the role of Shariah Advisor for the Co-operative in April 1992. He is a Shariah advisor to MCCA Asset Management Limited in respect to the MCCA Income Fund and MCCA Property Fund. A leading authority in Islamic finance in Australia, he holds a Master's Degree from the College of Usuluddin and a Doctor of Philosophy (PhD) (gained with high distinction) from the Al-Azhar University. Dr Muhammad has published several works, including the recently published second edition of his book 'Invitation to contemplate', which has been translated into English and French.

DR SHABBIR AHMED

Dr Shabbir was appointed to the role of Shariah Advisor in September 2014. He is the president of Al Tadhkeer Society. Dr Shabbir has: a PhD in Islamic Studies from the Jamiat ul Uloom Al Islamia (1991), Karachi,

Section 7

General Information

7.1 Compliance with AFSL and Other Requirements under Australian Law

The Fund is a registered managed Investment scheme and is subject to the Corporations Act.

MCCAAM as the Manager holds an Australian Financial Services Licence (AFSL) No. 291356 granted by ASIC. In addition, MCCAAM holds an Australian Credit Licence (ACL) No. 291356. This imposes compliance obligations on MCCAAM including:

- Maintaining sufficient financial resources.
- Maintaining a suitable professional indemnity insurance policy.
- Maintaining a compliance regime consistent with its obligations under its AFSL, ACL and the Corporations Act.
- Monitoring of the Compliance Plan obligations are the responsibility of the Compliance Officer and the Board. As at the date of this PDS, the Compliance Officer is Dr Pasquale Franzese and the Independent Directors (as defined under the Corporations Act) are all current Directors of MCCAAM. Section 6.2 details the background and experience of these persons.

7.2 Material Documents

Material documents referred to below are available for inspection during business hours at the offices of MCCAAM. If you wish to inspect any material document listed below you are welcome to call the MCCAAM Head Office during business hours to make an appointment to inspect some or all of the contracts listed below.

- Custodian Agreement
- Compliance Plan of the Fund
- Constitution of the Fund
- AFSL No. 291356 held by the Manager
- ACL No. 291356 held by the Manager

7.3 Custodian Agreement with Sandhurst Trustees Limited

MCCAAM entered a Custodian Agreement appointing Sandhurst Trustees Ltd as custodian of the Fund. The role of the Custodian is described in Section 1.18.

The Custodian's duties include but are not limited to:

- holding the Fund's assets in safe custody;
- opening and maintaining bank accounts to hold all cash (including application money) and income of the Fund;
- executing and holding property security and transfer documents;
- acting on our specific instructions; and complying with the Act.

Under the Custodian Agreement, Sandhurst Trustees Ltd is entitled to an establishment fee and an annual fee for providing custody services to the Fund, at normal commercial rates for those services. The Custodian is also entitled to reasonable out of pocket expenses.

7.4 Fund Constitution and Rights of Investors in the Fund

The Fund is governed by a Constitution. The Fund is also regulated under the Corporations Act 2001. Together the Constitution and the Corporations Act govern the rights, duties and obligations of MCCAAM as the Responsible Entity of the Fund. This summary of the Constitution is not exhaustive and only some of the key provisions are referred to. You may obtain a copy of the Constitution from us within 7 days of us receiving your request and upon payment of the prescribed fee. You should contact MCCAAM Head Office for details of the prescribed fee.

7.4.1 Class interests

The Constitution allows for creation of separate Investment classes. The Manager must treat all Investors within a class equally but is allowed to offer different classes different rights and privileges. No separate Class will be created unless the creation of that Class does not adversely affect existing Investors in the Fund.

Section 7

General Information (continued)

7.4.2 Other Provisions in the Constitution Not Addressed Elsewhere in the PDS

In addition, the Constitution includes provisions dealing with:

- **Duration of the Fund:** The Fund terminates on the earlier of (i) the 80th anniversary of the Fund's date of establishment, (ii) a date determined by the Manager and notified to Investors in Fund as the date on which the Fund is to be terminated, and (iii) the date on which the Fund is terminated by law;
- **Powers of the Manager:** In relation to the Fund, the Manager has the powers vested in trustees by law and the powers of a natural person or corporation,
- as if it were an absolute beneficial owner of the assets of the Fund, including the absolute and uncontrolled discretion in relation to the Investment, management and realisation of the Fund's assets;
- **Remuneration and Expenses of the Manager:** Subject to the Corporations Act, the Manager will be entitled to be paid certain remuneration out of the assets of the Fund re- imbursement of all costs incurred in the proper performance of its duties - see Section 4 - Fees.
- **Modification of the Constitution:** The Constitution may be modified, repealed or replaced with a new Constitution by a special resolution of Investors if the Manager reasonably considers the change will not adversely affect Investors' rights;
- **Meetings of Investors:** Subject to Part 2G.4 of the Corporations Act 2001, meetings of Investors are to be held in accordance with the Constitution, including as to quorum and voting

7.5 No Guarantees and Warranties Provided to Investors

No guarantees and/or warranties are made by any of MCCAAM, MCCA Limited, the Co-operative or their respective Directors, officers and other associated parties, or any Authorised Representatives appointed by MCCAAM from time to time as to the performance of the Fund.

7.6 Director's Interests and Benefits

Directors of MCCA Limited and their associated parties and associates may take up Investments in the Fund, in accordance with the Fund's normal Investment criteria. MCCAAM may deal with Directors and their related parties and associates in relation to the provision of finance products so long as normal guidelines are met - see Section 3 in respect to handling related party issues.

7.7 Interests and Benefits of Other Persons

Other than as set out below or elsewhere in the PDS, no person named in this PDS as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this PDS, and no promoter of the Manager holds or has held at any time during the last two years before the date of this PDS any interest in:

- the formation or promotion of the Fund;
- any property acquired or proposed to be acquired by the Fund in connection with the formation or promotion or in connection with the Offer; and
- no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services rendered by them in connection with the formation or promotion of the Fund or in connection with the Offer.
- The Manager is entitled to receive the fees set out in section 4, "Fees".
- KPMG is a major Australian accounting and audit firm engaged by MCCAAM to audit the annual financial accounts of MCCAAM and the Fund. The firm also acts as the compliance auditor for purposes of audit of the Fund's compliance plan obligations. For these services, KPMG receives professional fees at normal rates.
- Sandhurst Trustees Limited as Custodian receives fees and re-imburement for expenses as summarized in Section 7.3.

Section 7

General Information (continued)

7.8 Consents

The Directors of MCCAAM have consented to and have authorised the issue of this PDS.

The following persons have consented to being named in this PDS in the form and context in which they are named:

- KPMG, Auditors
- Sandhurst Trustees Limited, Custodian
- The Shariah Advisors - Dr Ibrahim Abu Muhammad and Dr Shabbir Ahmed

To the maximum extent permitted by law, each of these persons expressly disclaims and takes no responsibility for any part of this PDS other than the references to their name. As at the date of this PDS, none of the named parties have revoked their consent to be named in this PDS.

7.9 Privacy

By applying for an investment in the MCCA Income Fund, you are providing personal information to MCCAAM. We respect your privacy and will comply with Australian privacy laws and Australian Privacy Principles applicable from March 12, 2014 relating to the protection of your privacy and personal information. Our privacy policy is available on the website (www.mcca.com.au).

Other than as disclosed below in this Section, we will not share your information with unrelated parties without your consent or as required by the law and we will only use it:

- to fulfill our obligations in providing services to you;
- to develop products and services; and
- to market products and services to you, subject to your right at any time to opt out of receiving direct marketing materials.

In managing your investment, we may need to disclose your personal information to your financial adviser either directly or through other service providers with whom we may have arrangements. You may request reasonable access to the information we hold about you. Please notify us immediately if there

is a change on any of the information we hold about you, so that we can ensure that your information is always accurate and current. If you do not provide the information requested on the Application Form, we may be unable to process your Application.

7.10 Complaints Handling Procedure

We have an internal complaints handling process. As an Investor, you have a right to enquire into or complain about the operation of the Fund to the extent that it relates to you or your investment, including about our conduct, management and administration of the Fund. We have established procedures to ensure that all enquiries and complaints are properly considered and dealt with within 45 days of our being notified. If it appears the complaint may not be resolved within 45 days, the complainant will be notified promptly and the complaint may take up to 90 days to be resolved.

If you have an enquiry or complaint, please contact the Complaints Handling Officer on 1300 724 734.

If you require further assistance, then you should direct your written enquiry or complaint to the Dispute Resolution Officer at the address shown in the Corporate Directory or alternatively, by email at complaints@mcca.com.au.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. AFCA can be contacted via its web site, by email, by phone or in writing.

Contact details for AFCA are:

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

7.11 Investor Identification Requirements

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML Act) and other appli-

Section 7

General Information (continued)

cable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Manager (AML Requirements), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (AUSTRAC). In order to comply with the AML Requirements, the Manager is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if they consider it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

The Manager reserves the right to request such information as is necessary to verify the identity of an Investor and the source of any payment. In the event of delay or failure by the Investor to produce this information, the Manager may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary, to comply with AML Requirements applicable to them. Neither the Manager nor its delegates shall be liable to the Investor for any loss suffered by the Investor as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Manager has implemented a number of measures and controls to ensure that it complies with its obligations under the AML Requirements, including carefully identifying and monitoring Investors. As a result of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where there are reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused the Manager is not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken as contemplated above, or as a result of its compliance with the AML Requirements as they apply to the Fund; and
- the Manager may from time to time require additional information from you to assist it in this process.

The Manager has certain reporting obligations under the AML Requirements and is prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Manager is not liable for any loss you may suffer as a result of our compliance with the AML Requirements.



Section 8

Taxation

The following summary of taxation matters is a general guide of taxation implication of the Fund and Australian resident investors who are not considered to be trading in investments for tax purposes. The summary is based on tax laws as at the date of this PDS. Since tax laws are subject to continual change, and as the tax treatment applicable to particular investors may differ, you are advised to seek your own professional advice on the taxation implications of an investment in the Fund.

Taxation of the Fund

The Fund is tax resident in Australia, and is required to determine its net taxable for each year. ON the basis that Investors are presently entitled to the net income of the Fund, the Fund should not be subject to Australian income tax. Rather, taxes are payable by Investors in the Fund in the year in which they become presently entitled to the Fund's income.

This is so regardless of whether Investors actually receive the Fund's income or not, for example, even where the Fund withholds cash for future expenses. The amount of taxable income from any distributions is determined based on the components of those distributions. Components may include facility income returns or other returns. The different components of a distribution may have different tax consequences.

Investors in the Fund will receive an Annual Tax Statement (ATS) to help them prepare their income tax returns. The ATS will identify the different income components to be included in any tax return, being on either revenue or capital account. The sum of the taxable components may differ to the amount of cash distribution received. Management Fees paid to MCCAM should be tax deductible against Sub-scheme members' taxable income.

Distributions of non-assessable amounts are generally not subject to tax. Examples include distributions comprising amounts attributable to deductions for capital or other loss allowances, and which may have capital gains tax implications. Broadly, non-assessable amounts may reduce the cost base of an Investor's investment in the Fund. Investors are recommended

to seek professional advice about cost base adjustments, which vary by type of taxpayer, such as a company or complying self-managed superannuation fund.

Withholding taxes

You may quote your Tax File Number (TFN) or claim an exemption from doing so by completing the TFN section in the Application form. The Fund is required to collect withholding tax for international Members.

Australian residents have the highest marginal rate of tax deducted when an investor does not supply a TFN. If you are a non-resident you may be subject to the laws of the country of your domicile and should consult a taxation adviser before investing.

Goods and services tax

GST, when applicable, will be deducted from income collected. The amount of any GST deduction is set out in the investor's periodic income statement which may be treated as a tax invoice.

Dictionary

ABN	Australian Business Number
AFSL	Australian Financial Services Licence
ASIC	The Australian Securities and Investments Commission
Asset	An asset owned by the Fund
Application Form	The Application Form attached to this PDS
ASX	ASX Limited ACN 008 624 691 or as the context requires, the financial market administered by it known as the Australian Securities Exchange
Authorised Representative	A third party appointed by MCCAAM as an authorised representative under AFSL No. 291356 to act on behalf of MCCAAM
Board	The Board of Directors of MCCAAM
Compliance Plan	The compliance plan adopted by MCCAAM setting out the measures MCCAAM applies in operating the Fund to ensure compliance with the Act and the Fund's Constitution
Constitution	The constitution of the Fund as constituted by a deed between MCCAAM and Investors from time to time, setting out the rights and obligations of each party, as amended from time to time
Co-operative	Muslim Community Co-operative (Australia) Ltd, a co-operative registered under the Co-operatives Act
Co-operatives Act	Co-operatives Act 1996 (Vic)
Corporations Act	Corporations Act 2001 (C'th)
Custodian	Sandhurst Trustees Ltd ACN 004 030 737 for the time being, and any other custodian appointed from time to time for the purposes of the Corporations Act
Custodian Agreement	Agreement entered into between the Custodian and the Manager for the Custodian to provide custodian services required by the Corporations Act for the Fund
Customer or client	The other party or parties to the agreement for one of the Fund's finance products, i.e., other than MCCAAM
Default	The circumstances where a customer is not currently complying with his under an agreement for a finance product
Directors	The Directors of the Manager for the time being
Distributable Amount	The amount determined for distribution to Unitholders in accordance with the Constitution
Distribution(s)	The Distribution Entitlement when actually made and credited to the Investor investment account
Distribution Entitlement	The entitlement to the Distributable Amount
Distribution Payment Date	Typically within 21 days from the end of the prior month that the monthly Distribution Entitlement is payable
Distribution Period	(a) The period: (a) for the first Distribution Period, the period from the date of establishment of the Trust to the next Distribution Calculation Date; (b) for the last Distribution Period, the period beginning on the day after the preceding Distribution Calculation Date to the date of termination of the Trust; and (c) in all other circumstances, the period beginning on the first day of the month and ending on the last day of the month in which the Distribution Calculation Date falls

Dictionary

Dual-Compliant	The circumstance where a finance product is compliant with both applicable Australian Investments, Securities and Credit Laws (including NCCP rules) and Islamic Shariah requirements
Fund	The MCCA INCOME FUND ARSN 138 726 931 registered with ASIC as a managed Investment scheme
Gross Proceeds	The aggregate of all moneys received from clients and all other revenue generated by or in respect of the use of the Fund's Assets
Investment or investment	An acquisition of Units by an Investor in the Fund
Investor, investor also "you" or "your"	A registered holder of a Unit
Investor Register	Listing of Investors in the Fund containing details such as Units held, Value of Units and other information required to be kept under the Corporations Act
Manager MCCAAM, MCCA, also "we", "our" or "us"	MCCAAM in its capacity as manager of the Fund MCCA Asset Management Ltd ABN 18 113 728 706, the Manager and the Responsible Entity of the Fund
MCCA Group	Three entities consisting of Muslim Community Co-operative (Australia) Ltd, MCCA Ltd and MCCA Asset Management Limited. The Co-operative is a co-operative registered under the Victorian Co-operatives Act 1996 and MCCA Limited and MCCAAM are corporations registered under the Corporations Act 2001
NAV or Net Asset Value (of the Fund)	The current market value of all the Fund's investments, assets, property, rights and income.
Offer	The offer of Units as presented in this PDS
PDS	his Product Disclosure Statement
Responsible Entity	MCCAAM, also the Manager of the Fund
Scheme or scheme	The MCCA INCOME FUND ARSN 138 726 931 registered with ASIC as a managed Investment scheme
Shariah or Shariah Compliance	Compliance with Islamic law and principles
Shariah Advisors	Persons appointed by the Manager from time to time to advise the Board on matters relating to Shariah principles and Islamic law
Shariah finance and investment principles	Finance and investment requirements and/or structure applicable to Islam and Islamic religious practice
TFN	Tax file number
Unitholder	A registered holder of a Unit - an Investor
Unit Price	The price per Unit determined by the Board, generally \$1.00 per Unit
Unit or Units or unit(s)	A Unit or Units in the Fund and generally having the value of \$1.00 per Unit
Transaction Fee	Transaction Fee for a Unit means an amount determined by the Manager as an exit fee to be charged for dealing with redemption requests

MCCA INCOME FUND

APPLICATION FORM (PAGE 1)



MCCA Income Fund Application Form | MCCA Income Fund ARSN 138 726 931 | Product Disclosure Statement dated 30 September 2020. MCCA Asset Management Limited | ABN 18 113 728 706 | ASFL 291356 is the issuer of this PDS.

Application Checklist

Ensure that you:

- Complete all relevant sections of the Application Form;
- Sign all relevant sections in the Application Form;
- Complete the Direct Debit Request Authorisation (if applicable)
- Enclose certified copies of identification for each applicant; and
- Enclose copy of Trust deed for superfund (if applicable).

If you are an existing investor with any of MCCA fund, please insert your investor number:

SECTION A - INDIVIDUAL INVESTOR DETAILS

	APPLICANT 1	APPLICANT 2
INVESTOR TYPE (CIRCLE)*		
Title*		
Surname*		
Given*		
Any other names known by		
Date of Birth*		
Occupation*		
Country of* Citizenship/s		
Tax File Number or Exemption Reason*		
Tax Residence Country/ies*		
US Citizen or resident of the US for tax purposes	US Taxpayer Identification Number (TIN)	US Taxpayer Identification Number (TIN)

If TIN provided, please complete the FATCA Details Form available on mcca.com and submit with your Application Form. If there are more than two (2) applicants, including trustees or company directors, please provide their full details on a separate page.

ADDRESS & CONTACT DETAILS	Please tick if address is same as Applicant 1.	
Residential Street Address*		
Postal Address		
Email*		
Phone*		

MCCA INCOME FUND

APPLICATION FORM (PAGE2)



SECTION B - ORGANISATION / TRUST DETAILS

If you are investing in the name of a company, trust, partnership or other entity, YOU MUST COMPLETE BOTH SECTIONS A & B

ENTITY TYPE (CIRCLE / TICK)		
Full Name of Entity*		
Nature of business/type of trust*		
Corporate Trustee Name*		
ACN/ARBN*	ABN	
Tax File Number or Exemption Reason*	Tax Residence Country (non Australian Residents)	
A company, partnership, trust or association established under the laws of the US or a US taxpayer	Entity's US Taxpayer Identification Number (TIN)	If TIN provided, please complete the FATCA Details form available on mcca.com.au and submit with your Application Form.
Association/Other Governing legislation/jurisdiction	Registration Number	
Individuals who hold 25% or more of the company, trust or partnership	Individual 1	Individual 2
	Individual 3	Individual 4
ADDRESS DETAILS		
Registered Office	Principal Place of Business	
Street Address		
City, State, Province & Postcode		
Country (if not Australia)		

SECTION C - ACCOUNT AUTHORITIES

Authorisation for account changes and redemption (tick)	One Signatory <input type="checkbox"/>	All Signatories <input type="checkbox"/>	Other (please specify) <input type="text"/>
----------------------------------------------------------------	-------------------------------------------	---------------------------------------------	------------------------------------------------

SECTION D - INVESTMENT DETAILS

How will I make the investment	Cheque <input type="checkbox"/>	Direct Debit <input type="checkbox"/>	Amount <input type="text"/>
---------------------------------------	------------------------------------	------------------------------------------	--------------------------------

SECTION E - INCOME DISTRIBUTION DETAILS

Income Distribution (tick)	Reinvest in MCCA IF <input type="checkbox"/>	Credit to Bank Account <input type="checkbox"/>
Bank account details - must be provided in all cases		
Account Name		
BSB	Account Number	
Bank/Branch		

MCCA INCOME FUND

APPLICATION FORM (PAGE3)



Section F: Declaration and Signature

1. I/We hereby apply for registration in the MCCA Income Fund ("the Fund").
2. I/we declare that we have received a paper or electronic copy of the PDS dated 30 September 2020 and read this PDS in full before completing this Application form and the details in the Application form are true and correct.
3. I/We agree to be bound by the provisions of the Fund Constitution as amended from time to time, a copy of which is available for my/our inspection.
4. I/We authorise the disclosure to the Financial Adviser or Authorised Representative whose details appear herein of any information in relation to this application or the investment relating thereto ("personal information") and I/we consent to the payment of brokerage and fees to the financial adviser or Authorised Representative as set out in this PDS or subsequent disclosure.
5. I/We understand and agree that MCCA may disclose information about me/us to courts, tribunals or as required by law, including to verify my/our identity as necessary for MCCA to comply with its obligations under the Act.
6. I/We understand that MCCA may use my/our personal information for marketing to you products and services offered by us and organisations with which we are affiliated or which we represent. You have the right not to receive marketing material by ticking this box:
7. I/We understand and agree that MCCA may provide personal information to an external organisation that provides information technology services.
8. I/We hereby irrevocably appoint MCCA, and any Director, agent, attorney or substitute nominated by it and the Manager to be my/our attorney for the purpose of performing its duties under the Fund's Constitution.
9. I/we hereby acknowledge that neither MCCA nor its Authorised Representatives if relevant has provided me/us with any personal financial product advice, made any representation or given any guarantee as to the Fund performance, the maintenance of capital or any particular rate of Investor return.
10. If signed under a power of attorney, I/we declare that I/we have no knowledge of the revocation of that power of attorney.

Name (Please print)

Signature(s)

DD/MMM/YYYY

Capacity to execute

Applicant / Power of Attorney/ Trustee
(Please circle applicable title)

Name (Please print)

Signature(s)

DD/MMM/YYYY

Capacity to execute

Applicant / Power of Attorney/ Trustee
(Please circle applicable title)

Send your completed Application form, certified copies of your identification documents and your cheque

to:

MCCA Assest Management
Limited
PO Box 73,
Moreland Victoria 3058
Australia

MCCA is not responsible for the return on any investment nor does it make any recommendation of any investment. You and your Financial Adviser are responsible for the suitability of any investment selected by you.