



ISSUER AND RESPONSIBLE ENTITY

Primary Securities Ltd

ABN 96 089 812 635

AFSL No 224107

PRODUCT DISCLOSURE STATEMENT
FOR
CLASS N UNITS OF PRIMARY INVESTMENT BOARD
ARSN 618 038 323

to enable retail investors to indirectly invest into the

READY SET SHORT TERM RENTAL FUND

ISSUER AND RESPONSIBLE ENTITY	Primary Securities Ltd ABN 96 089 812 635 holder of Australian Financial Services Licence No 224107, contact registry@primarysecurities.com.au Refer to Primary's website https://primarysecurities.com.au for more information about Primary and its directors.
DATE OF THIS PDS	01 June 2020

Refer to Benefits and Risks of the Investment on pages 16 to 22.

IMPORTANT NOTICE	This Product Disclosure Statement (PDS) provides a summary of significant information about the Offer. You should read this PDS before making a decision to invest in Class N of Primary Investment Board. The information in this PDS is general only and does not take into account your personal financial situation or needs. Before making an investment decision based on this PDS, you should obtain financial advice that is tailored to suit your personal circumstances.
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This PDS has not been lodged with the Australian Securities and Investments Commission (ASIC) and is not required to be lodged in accordance with the *Corporations Act 2001*. Primary will notify ASIC that this PDS is in use in accordance with section 1015D of the *Corporations Act 2001*.



Contents

1.	LETTER FROM THE CHAIR	3
2.	INVESTMENT OVERVIEW	5
3.	KEY FEATURES	5
4.	BENCHMARKS	6
5.	PRIMARY INVESTMENT BOARD	12
6.	READY SET SHORT TERM RENTAL FUND (THE MAIN FUND)	13
7.	INVESTMENT MANAGER AND RENTAL MANAGER OF READY SET SHORT TERM RENTAL FUND (THE MAIN FUND)	15
8.	BENEFITS AND RISKS OF INVESTMENT	16
9.	TAXATION	25
10.	FEES AND OTHER COSTS	26
11.	THE RESPONSIBLE ENTITY AND CUSTODIAN	31
12.	DISPUTE RESOLUTION AND COMPLAINTS	33
13.	DETAILS OF THE MATERIAL AGREEMENTS	34
14.	OTHER MATTERS	36
15.	GLOSSARY OF TERMS	39
16.	CORPORATE DIRECTORY	45

1. Letter from the chair

Dear Investor,

The aim of Primary Investment Board is to enable retail investors to invest into wholesale funds that are normally not available to them because the investors are not classified as "wholesale" clients.

The Primary Investment Board is a trust divided into Classes. Each Class is dedicated to a separate investment. There is a separate PDS for each Class and investment.

This PDS is for investment into Class N Units for investment into the Ready Set Short Term Rental Fund (the **Main Fund**) which is to be operated by Ready Set Funds Management Pty Ltd (the **Investment Manager**). That is, the **only** investment to be made for holders of Class N Units by Primary Investment Board will be in the Main Fund.

The Main Fund is being established to acquire residential apartments in Australian cities: (the **Residential Premises**) with the aim of delivering regular tax effective income from Short Term Rental and the potential for capital growth. The Short Term Rentals will be managed by Ready Set Apartments Pty Ltd (**Rental Manager**).

The Main Fund is available only to "wholesale" clients. This limitation means that the Main Fund is unavailable to retail investors.

Under this PDS, any person or entity may invest and the minimum investment is \$10,000.

In this PDS you will find more details about Primary Investment Board and the Main Fund and the benefits and risks of the investment.

Prospective investors should read the whole of this PDS and then if you wish to invest, please complete the Application Form on Primary Securities Ltd.'s website <https://primarysecurities.com.au> or the Investment Manager website <http://readysset.fund>. If you do not wish to apply via the online method, please contact the Investment Manager who will provide you with a paper Application Form for completion.

Refer to the investment considerations and risks that are set out in section 8 (Benefits and Risks of Investment).

Before investing under this PDS, you need to consider whether the investment is suitable in light of your investment objectives, financial position or particular needs. You should obtain independent advice about this from your financial adviser. If you have any doubt as to whether the investment is suitable for you, you should not invest or you should keep your investment to a small amount.

Yours faithfully

David Butterfield
Chairman
Primary Securities Ltd

Ready Set Short Term Rental Fund (Main Fund)

The new Ready Set Short Term Rental Fund (the Main Fund) gives an opportunity for investors to participate in the sharing economy. It makes efficient use of residential real estate through websites like Airbnb and Booking.com. The Fund is the first managed fund based on the shared economy business model in Australia. With a low minimum investment, investors can take a share in short term rental properties without necessarily committing sufficient funds to purchase an entire property themselves, but with the advantage of professional short term rental managers taking care of the property acquisition and ongoing management. As the Main Fund grows, there is also a diversification benefit in owning a portion of multiple properties rather than all of a single property which means there is less risk of underperforming.

The Main Fund aims to provide regular income via quarterly distributions and long-term capital growth by investing in a professionally researched portfolio of predominantly inner city apartments in Australia.

A note from the Investment Manager: COVID-19

With markets moving quickly around coronavirus related news, we intend to keep our investors informed about our strategy, how we are managing risk, and our broader thoughts around the current situation.

Upon launching the Main Fund, we will be looking for bargain priced properties that have the potential to eventually achieve good income (after the COVID-19 crisis) and a decent capital gain. Once the crisis is over, and in the long term, we believe current property prices will offer the opportunity for some very attractive returns.

Recent market movements have been indiscriminate, and with sharp downward price movements in almost all asset classes. In the short term, we don't know when exactly this will end nor how serious the impact on Australian economy will be, and if the pandemic stretches out, there may be a period at the start with low income.

However, it typically takes months between purchase and leasing due to the timing gap between purchase, settlement and property setup.

We expect short stay income to be down significantly during the crisis, but then lift as travel restrictions are lifted and tourism and business return back to normal. We also expect supply of short term rentals to drop due to business failures during the crisis. This reduced competition during recovery gives potential for upside.

We believe that timing may be favourable for the purchase of residential properties in the inner cities across Australia, as their prices have been exposed to the travel and educational industries, where closing borders, impacted supply chains and weakness in consumer confidence hit the hardest. Investing during the crises does carry material additional risk, both in this fund and in most asset classes. However investing during the crisis is necessary in order to gain any upside available as the country ultimately moves from crisis to recovery.

2. Investment Overview

PRIMARY INVESTMENT BOARD	Primary Investment Board ARSN 618 038 323 is a registered managed investment scheme for retail investors. It is a trust divided into separate Classes. Each Class invests in a separate investment opportunity.
CLASS N	Class N of the Primary Investment Board will only invest in the Ready Set Short Term Rental Fund (the Main Fund).
OBJECTIVE	The objective of the Main Fund is to acquire residential apartments in Australian cities (Residential Premises) to deliver regular tax effective income from Short Term Rentals and the potential for capital growth.
READY SET SHORT TERM RENTAL FUND	The Main Fund is an open-ended Australian wholesale unit trust. The trustee of the Main Fund is Primary Securities Ltd (Trustee). The Main Fund is managed from Melbourne by Ready Set Funds Management Pty Ltd (ACN 633 166 873) (Investment Manager). The Short Term Rentals will be managed by Ready Set Apartments Pty Ltd (ACN 221 620 307) (Rental Manager).
INCOME DISTRIBUTION	Quarterly. For more information see Section 4 (Benchmarks Part 4.8 Distribution Practices – Class N of Primary Investment Board).
WITHDRAWALS	This is an illiquid trust. The Class N Investors can only withdraw their investment if the Trustee of the Main Fund makes a withdrawal offer. The Investment Manager intends to plan for such an offer on a quarterly basis however this is not guaranteed. Withdrawals will be processed upon receipt of a Withdrawal Request if and when a Withdrawal Offer has been made by the Trustee of the Main Fund. Thereafter See Benchmark 4.9.

3. Key Features

RESPONSIBLE ENTITY AND ISSUER OF UNITS in CLASS N of PRIMARY INVESTMENT BOARD	The responsible entity and issuer of this Offer is Primary Securities Ltd ABN 96 089 812 635, holder of Australian Financial Services Licence No 224107 (Primary).	Page 37
PRIMARY'S ROLE	Primary's role is to invest in the Main Fund on behalf of Class N of the Primary Investment Board, represent investors in Class N of the Primary Investment Board, to carry out administration and investor services for Primary Investment Board, and to apply prudential principles.	Page 38
BENEFITS AND RISKS	There are benefits and risks associated with investment under this PDS. See Section 8 (Benefits and Risks).	Pages 16 to 26
MINIMUM INVESTMENT	\$10,000 and thereafter in \$5,000 parcels unless you have opted to have your distributions reinvested in which case the amount of your distributions will be accepted as additional Investments.	

4. Benchmarks

SUMMARY

In March 2012 ASIC released 10 Benchmarks and 8 Disclosure Principles that it requires property schemes to address and disclose.

Class N Investors of Primary Investment Board will receive Units in Class N of Primary Investment Board which will invest only in units in the wholesale managed investment scheme known as "Ready Set Short Term Rental Fund" (the **Main Fund**) and therefore investment in Class N of Primary Investment Board is not an investment in a property scheme.

However, the Main Fund is a wholesale property investment trust established to acquire Residential Premises and is a property scheme.

The benchmarks set out below relate to the Main Fund and not to Primary Investment Board or Class N of Primary Investment Board.

READY SET SHORT TERM RENTAL FUND (the Main Fund)

BENCHMARK	SUMMARY
Gearing Policy – addresses the Main Fund's policy on gearing at an individual credit facility level.	This Benchmark is met. The Trustee of the Main Fund will hold the Residential Premises. The maximum Loan to Value Ratio across all Residential Premises is intended to be 50% but may be as high as 70%. The Main Fund will be seeking Bank Finance for each of the Residential Premises it acquires.
Interest Cover Ratio Policy – addresses the Main Fund's policy on the level of interest cover at an individual credit facility level.	This Benchmark is met. Net Rental Income is at least 1.2 times Interest Cover and interest will be paid from the rent.
Interest Capitalisation – addresses whether the interest expense of the Main Fund is capitalised.	This Benchmark is met . The Main Fund's first mortgage borrowings will be paid from cash-flow derived from Short Term Rentals. The Main Fund may use capitalised interest in limited circumstances. See Section 4.2 below.
Scheme Borrowing – addresses the disclosure of the Main Fund's credit facility including circumstances in which credit facility covenants will be breached.	This Benchmark is not met as the Main Fund has not yet acquired any Residential Premises nor entered into any credit arrangements. The Main Fund may borrow up to a maximum of 70% of its Residential Premises' value plus capitalised acquisition costs. The Main Fund's target Loan to Value Ratio ('LVR') is 50%
Portfolio Diversification – addresses disclosure of the Main Fund's assets, including specific information about development assets	The Main Fund intends to invest in apartments in Australian cities and is diversified only so much as the Residential Premises are in different cities. This Benchmark is met insofar as the Main Fund will acquire various Residential Premises.

<p>Valuations Policy – addresses the way in which valuations are carried out by the Trustee in relation to the Main Fund's assets.</p>	<p>The Residential Premises will be valued by an independent Valuer after 3 years or at any time at the discretion of the Trustee. The Trustee may adopt its own valuation between valuations. For more details see Section 4.9 below. This Benchmark is met.</p>
<p>Related Party Transactions – addresses the Trustee's policy on related party transactions.</p>	<p>The Main Fund will not transact with any related parties of the Trustee but may transact with related parties of the Investment Manager provided that it is done on an arm's length commercial basis. For more details see Section 4.5 below. This Benchmark is met.</p>
<p>Distribution Practices – addresses a Trust's practices for paying distributions from cash operations available for distribution.</p>	<p>It is the intention of the Investment Manager of Main Fund that investors in the Main Fund (which includes Primary on behalf of Class N Investors) will receive regular quarterly distributions and subject to the Withdrawal Policy, capital growth as and when the Residential Premises are sold.¹ Class N Investors have the ability to reinvest any Distributions they receive. This Benchmark is met.</p>
<p>Withdrawal Arrangements – addresses disclosure of the withdrawal arrangements within the Main Fund and risk factors that may affect the unit price on withdrawal.</p>	<p>This Benchmark is met. Class N Investors may only withdraw from Class N when and if the Trustee of the Main Fund makes a withdrawal offer or through a transfer of Units to another party. The Trustee of the Main Fund is under no obligation to make any withdrawal offers. This investment should be treated as illiquid. See further details in 4.7 below. The risk factors identified by the investment Manager of the Main Fund and Primary are set out in Section 8 and these include the risk factors which may affect the unit price on withdrawal: including valuation of the Main Fund (and therefore the redemption price) and liquidity of fund. If the fund is illiquid the Trustee of the Main Fund will not be in a position to make withdrawal offers.</p>
<p>Net Tangible Assets – addresses disclosure of the net tangible asset (NTA) banking per unit of the Main Fund.</p>	<p>The Main Fund will report on its Net Tangible Asset's regularly to Primary in Quarterly Reports. These will be provided to Class N Investors. This Benchmark is met.</p>

¹ Distributions are not guaranteed.

4.1 DISCLOSURE PRINCIPLE 1

GEARING RATIO AND POLICY- READY SET SHORT TERM RENTAL FUND (the Main Fund)

Gearing Policy

The Residential Premises will be held by the Trustee of the Main Fund. The Main Fund may borrow up to a maximum of 70% of the value of the Residential Premises plus capitalised acquisition costs. The Main Fund's target Loan to Value Ratio ('LVR') is 50% or lower.

Gearing Ratio

Gearing magnifies the effect of gains and losses on an investment. The gearing ratio indicates the extent to which a scheme's assets are funded by external liabilities. A higher gearing ratio means greater magnification of gains and losses and generally greater volatility compared to a lower gearing ratio. The gearing ratio is calculated as follows:

$$\text{Gearing Ratio} = \frac{\text{Total Interest Bearing Liabilities}}{\text{Total Assets}}$$

The gearing ratio is based on liabilities disclosed in the Main Fund's annual financial statements. When undertaking Residential Premises acquisitions, the Main Fund permits the borrowing of up to a maximum of 70% of the Main Fund's assets but the Investment Manager intends to target an LVR of 50%.

4.2 DISCLOSURE PRINCIPLE 2

INTEREST COVER RATIO - READY SET SHORT TERM RENTAL FUND (the Main Fund)

Interest Cover

The interest cover ratio indicates a scheme's ability to meet interest payments from earnings, where:

$$\text{interest cover ratio} = \frac{\text{Total Net Rental}}{\text{Total Interest Payments}}$$

The interest cover ratio is a measure of the risk associated with the Main Fund's borrowings and the sustainability of borrowings. A fund with a low interest cover ratio only needs a small reduction in earnings (or a small increase in interest rates or other expenses) to be unable to meet its interest payments. Interest cover is also useful for investors when comparing a fund's relative risks and returns.

It is the Main Fund's policy that the Main Fund will maintain the interest cover ratio at more than 1.2 times, unless under special circumstances, e.g. in redeveloping the Residential Premises, in which case sufficient financial facilities will be put in place to cover loan interest payments

Interest Capitalisation

The Main Fund intends to pay all interest from rental income. Interest is not intended to be capitalised.

Liquidity

The Main Fund will target liquidity of 5% of Gross Asset Value, which will be held in reserves. These reserves may be invested in a Bank account, a cash management account, a Loan Offset Account, a Line of Credit account, or to pay off principal in a loan facility as long as that facility allows the funds to be redrawn at a later date. Quarterly Distributions will be paid at the end of each Quarter if a distribution is declared.

4.3 DISCLOSURE PRINCIPLE 3

SCHEME BORROWING - READY SET SHORT TERM RENTAL FUND (the Main Fund)

Residential Premises Loan Facilities

Each of the Residential Premises will be held within the Main Fund with debt facilities up to a maximum of 70% of Loan to Value Ratio (LVR) but the Investment Manager intends to target an LVR of 50%. It is intended that all interest expenses will be paid out of cash-flow generated from Short Term Rentals of the Residential Premises.

Loans for Residential Premises

The Main Fund will borrow from recognised Australian banks (**Bank**) to assist with the purchase of each of the Residential Premises. The relevant Bank will hold a first mortgage over the Residential Premises. The loans will be interest only.

4.4 DISCLOSURE PRINCIPLE 4

PORTFOLIO DIVERSIFICATION - READY SET SHORT TERM RENTAL FUND (the Main Fund)

The Main Fund will purchase only Australian Residential Premises initially in Melbourne and then gradually in cities in other Australian States. Although downturns in the Australian Property market seldom occur Australia-wide this may in fact happen. To the degree that the Residential Premises are located in different buildings, areas and different Australian cities in different States is the extent of the portfolio diversification. In addition, the Main Fund is investing in multiple Residential Premises and this provides a degree of diversification as well.

Tenant Diversification

The Main Fund intends to let the Residential Premises as Short Term Rentals. Short Term Rentals are only viable if the Residential Premises are continuously rented. If there is difficulty letting certain individual Residential Premises on the Short Term Rental market, the Rental Manager may arrange long term rentals of the relevant Residential Premises. By holding Residential Premises in all the capital cities of Australia there is a degree of diversification so that the Main Fund is not reliant on one property in the short term rental market of one city. Default by a single tenant is also generally not significant (unless the default is the substantial destruction to the Residential Premises so that it is uninhabitable) because by their nature, Short Term tenancies are of short duration and the Main Fund is not dependent on the retention of any particular tenant, as occurs in commercial premises or retail premises.

Sector Diversification

The Residential Premises will be used predominately in Short Term Rental sectors and is not diversified.

4.5 DISCLOSURE PRINCIPLE 5

RELATED PARTY TRANSACTIONS - READY SET SHORT TERM RENTAL FUND (the Main Fund)

The Rental Manager and the Investment Manager are related parties.

With approval of the Trustee of Fund, the Main Fund may transact with related parties provided that it is done on an arm's length commercial basis. Entities associated with the Investment Manager or Trustee of Fund may charge fees to the Main Fund in connection with raising capital and managing the investment, namely the Residential Premises.

4.6 DISCLOSURE PRINCIPLE 6

DISTRIBUTION PRACTICES – CLASS N OF PRIMARY INVESTMENT BOARD

Distribution Policy

The Main Fund's current Distribution Policy is to pay 100% Fund Distributable Income to Main Fund Unit Holders (which includes Primary on behalf of the Investors in Class N of the Primary Investment Board) by way of distributions in accordance with the following:

- Each Distribution may include depreciation which may be used by Investors to offset tax liabilities.
- Except for the end of Financial Year quarterly distribution, the Main Fund intends to declare and pay distributions of the Distributable Income quarterly within 30 days of the following dates:
 - 31 March;
 - 30 September; and
 - 31 December
- For the end of Financial Year quarterly distribution, the Main Fund intends to declare and distribute the balance of the Distributable Income within 60 days of the following date:
 - 30 June
- It is expected the majority of the Main Fund's Distributable Income will be derived from the Residential Premises and the Residential Premises in turn will derive their income from the Short Term Rental Portfolio.
- The calculation of the first distribution commences from the date of allotment of units in the Main Fund and not the date a Class N Investor invests its money.
- Class N Investors on the Register of Class N in the Primary Investment Board as at the last day of the relevant distribution period will be entitled to the distribution for that period.
- Distributions will be made based on the election made by the Investor on their Application Form, being either electronically to Class N's Investor's nominated bank account by Primary or reinvested.
- The Main Fund reserves the right to vary its Distribution Policy in the future.

4.7 DISCLOSURE PRINCIPLE 7

WITHDRAWAL ARRANGEMENTS - CLASS N OF PRIMARY INVESTMENT BOARD

Transfer of Units

There is currently no established secondary market for Units in Class N of Primary Investment Board and Primary as the responsible entity of Primary Investment Board does not intend to list the Class N Units on any securities exchange or establish any other secondary market.

Withdrawal Policy

An investment in Class N of Primary Investment Board and ultimately in the Main Fund should be treated as illiquid although the intention of the Trustee and Investment Manager of the Main Fund to consider, on a quarterly basis, making a withdrawal offer. The Trustee or Investment Manager of the Main Fund are

under no obligation to make any Withdrawal Offers and there is no assurance that Withdrawal Offers will be made in any particular time frame.

Generally, the Trustee of the Main Fund will only make a Withdrawal Offer where they believe it is appropriate to return capital to Main Fund Unit Holders, for example when the Main Fund has excess holdings of cash and cash equivalent investments or has surplus funds as a result of the sale of one or more of the Residential Premises. Further, if a Withdrawal Offer is made, there is no guarantee that you will be able to withdraw the full amount requested. This is because if the amount of withdrawal requests exceeds the amount available under the Withdrawal Offer, Withdrawal Requests from Investors will be satisfied on a pro rata basis. Primary is the applicable Main Fund Unit Holder in relation to Withdrawal Requests from the Main Fund.

Withdrawal periods

A Class N Investor may apply to withdraw some or all of their Units in Class N of Primary Investment Board and ultimately in the Main Fund in response to a Withdrawal Offer by the Trustee of the Main Fund. Class N Investors wishing to participate in a Withdrawal Offer will need to submit their properly completed Buyback Requests within the specified time period specified in the Withdrawal Offer. The Withdrawal Price applicable to Units withdrawn after completion of a Withdrawal Offer will be the Class Net Asset Value divided by units on issue. This means Class N Investors will receive less than Main Fund Unit Holders as the Class Net Asset Value takes into account the liabilities of the Class N including the fees payable to Primary.

How to withdraw

After receipt of a Withdrawal Offer by the Trustee of the Main Fund, Primary will notify Class N Investors of the Withdrawal Offer and Class N Investors must make a Buyback Request by completing and lodging the Buyback Request Form which will be included in the Withdrawal Offer. Buyback requests can be sent via mail or e-mail. Telephone requests will not be accepted. Because of the uncertainty of timing of delivery of mail, it would be preferable if requests were sent by email to registry@primarysecurities.com.au to ensure they were received within the necessary time frame. Primary will then make the Withdrawal Request to the Trustee of the Main Fund on behalf of the Class N Investors who have submitted Buyback Requests.

In accordance with the Corporations Act, the Trustee of the Main Fund will satisfy Withdrawal Requests within 21 days of the Withdrawal Offer closing. If the Withdrawal Requests for the Main Fund (which includes the Buyback Requests) received exceed the amount of funds available under the Withdrawal Offer, the Trustee of the Main Fund will satisfy Withdrawal Requests on a pro-rata basis. The amount withdrawn will be remitted to the Class Account and Primary will distribute the Class Net Asset Value directly into the Class N Investors' nominated account.

4.8 DISCLOSURE PRINCIPLE 8

NET TANGIBLE ASSETS – READY SET SHORT TERM RENTAL FUND (the Main Fund)

The Main Fund's net assets will primarily consist of cash assets and equity in the Residential Premises, the value of which will be determined by the Assets it holds less any liabilities it carries (including, for example, borrowings, Management Fees payable to the Investment Manager. The value of the Main Fund's Net Tangible Assets ('NTA') will be provided to Class N Investors by Primary. Revised Information Memoranda for the Main Fund may be issued from time to time and will include the Main Fund's NTA.

The formula for calculating Net Tangible Assets per unit for the Main Fund is:

$$\text{Net Tangible Assets per unit} = \frac{\text{Fund Assets} - \text{Fund Liabilities}}{\text{Number of Units on Issue}}$$

Where:

Fund Assets = Value of all Property Assets + Value of Cash Assets

Fund Liabilities = Value of all Debts owed by the Main Fund + Management Fees payable to the Investment Manager (including any Contingent Liability amount)

Number of the Main Fund units on Issue = number of the Main Fund units on issue at the time of calculating the Net Tangible Assets.

Notes:

1. No allowance has been made for income or capital gains tax that maybe payable by Main Fund Unit Holders or Class N Investors.
2. Over time depreciation claimed by the Main Fund will lower the cost base of the Residential Premises for capital gains tax purposes. This will tend to increase capital gains tax when any of the Residential Premises are sold.
3. The NTA calculation excludes any allowance for options whose exercise price is less than the unadjusted NTA.

4.9 VALUATION POLICY - READY SET SHORT TERM RENTAL FUND (the Main Fund)

Independent Valuations

The Residential Premises of the Main Fund will be valued by an independent external Valuer at least once every three years. The Trustee of the Main Fund may elect to value the Residential Premises by an external Valuer sooner at its sole discretion. Independent Valuations will be instructed by the Trustee of the Main Fund (or the Investment Manager) to determine the Residential Premises' 'fair market value' on an 'In One Line' basis in accordance with Australian Residential Premises Institute ('API') standards.

Trustee's Valuation

Between valuations, the Trustee of the Main Fund may adopt its own valuation. Generally, the Trustee will make use of computer-modelled valuations (**Desk Top Valuations**). Neither of these methods (Independent Valuations or Desk Top Valuations) can be guaranteed to exactly and accurately reflect the value of a property at a given time, as the sale of a property is the only reliable way to know its achievable market value. When calculating the NTV for the Main Fund, the Trustee may determine that a full valuation is not necessary in some circumstances.

5. Primary Investment Board

HOW DOES PRIMARY INVESTMENT BOARD WORK?

Primary Investment Board ARSN 618 038 323) is a managed investment scheme established under an umbrella Constitution (**Constitution**) which is registered with ASIC.

Primary Investment Board is a trust which has a number of Classes. Each Class holds a separate investment.

Primary will issue a separate PDS for each Class and investment opportunity. The number of Classes which may be established in Primary Investment Board is unlimited.

This Offer is for investment into Class N units for investment into the Main Fund which is operated by Ready Set Funds Management Pty Ltd (ACN 633 166 873) (**Investment Manager**). That is, the **only** investment to be made for holders of Class N Units will be in units in the Main Fund.

Class N investors do not directly hold units in the Main Fund. Class N investors hold Units in Class N of Primary Investment Board which invests in the Main Fund.

This is general advice only. You need to consider whether the investment is suitable in light of your own investment objectives, financial position or particular needs. You should obtain advice about this from your financial adviser.

6. Ready Set Short Term Rental Fund (the Main Fund)

Short term rentals - overview

The short term rental industry has grown dramatically over the past decade on the back of platforms like Airbnb, booking.com, Expedia & HomeAway/Stayz. Despite new hotel developments, it has become a widely accepted way to have a more memorable, authentic and often cheaper experience instead of a hotel, thanks to technology which allows for easier online access to property listings.

It has also become a way for many people to increase income from their property. Many property owners have switched their investment properties to short term rentals and enjoy higher returns. Short-term rentals now generate more than \$1 billion in revenue to the economy and over 30,000 homes are being leased on a short-term basis.

Higher returns

According to The Telegraph, short-term rentals can bring in around 30% higher profits than long-term lets. But the potential is greater than even that. The experience of Ready Set is that short-term rentals bring in rent which is on average 45% higher than long-term lets (see Target Main Fund Return below). The Investment Manager believes that the secret lies in choosing the best locations and the right configurations.

The Ready Set Short Term Rental Fund

Property investors could potentially ride this wave of growth by going out and purchasing an investment property and listing on sharing economy sites, but there is a lot of work screening, messaging and meeting guests, arranging cleaners and the like; and the success of this strategy depends a lot on securing the right property.

Rental income will primarily come from short term holiday and business/executive rentals of fully furnished apartments, which attract higher than normal domestic long term rents. Higher rents will only be sustained if there is continuity in Tenants, and the Investment Manager believes that continuity is more likely to be maintained if the Rental Manager is already in the business of leasing apartments for short term holiday purposes, as is the case here.

The Main Fund will only purchase Australian Residential Premises, located predominantly in city centres and inner suburbs of Australian cities, with high income potential.

The Main Fund is suited to investors who are:

- Seeking an investment in and exposure to Australian property.

- Seek both recurring income and capital growth.
- Have a medium to long term investment horizon (a suggestion of 5 or more years).
- Are able to tolerate the risk of capital loss.

Target Main Fund Return

On a portfolio basis, the Investment Manager will target a Main Fund Return (including capital gains) of 9% per annum. Refer to the notes at the end of this section. Past performance at this rate does not indicate future performance at this rate.

Borrowing

The Main Fund is permitted to borrow but the ratio of borrowing to GAV will not exceed 70%.

Distributions

Distributions from the Main Fund and then to Investors in Class N will be made quarterly.

Applications

Applications can be made by completing the Application Form online on the Trustee's Website <https://primarysecurities.com.au/application-forms/register/> or the Rental Manager's website <https://www.readyset.fund>. For additional information please refer to Section 14.

Time Frame

This is not a short-term investment and we suggest that all prospective investors adopt a minimum five-year time-frame for investment in the Main Fund. The Main Fund will also hold cash and cash equivalents to ensure there is liquidity for potential withdrawals and purchases. These moneys will be invested in liquid financial assets.

Non-liquid

The Main Fund is a non-liquid scheme which means Investors can only withdraw their investment if the Trustee makes a withdrawal offer.

Notes on target Main Fund Return

The target Main Fund Return is based on year two of the Main Fund assuming a loan to value ratio of at least 50% and assuming the target cash/property mix of 5% cash and cash equivalents to 95% direct property is met. The assumptions listed below are based on research undertaken for Melbourne CBD over 2018 and 2019. Refer to section 8 for the risks that these assumptions are not achieved.

Property Income

The target Main Fund Return assumes gross rental yields of between 6.06% and 6.64% per annum for long term rental of various property types and a vacancy rate of 2.30%. These rates are applied to property prices (before acquisition costs, furniture and fitouts) varying between \$320,000 and \$800,000 depending on property type. It is assumed that these prices will not vary significantly while the Main Fund is acquiring properties. A ratio of 1.45 is applied to long term rental income in order to obtain an estimate of short term rental income. This ratio is based on the difference between contracted rent (usually based on a one year contract) and average weekly gross income actually received on properties operated by the Rental Manager over the period 14 February 2019 to 14 February 2020.

Property Expenses

Property expenses of between 3.33% and 3.71% per annum of the property price (before acquisition costs, furniture and fit-outs) are assumed in the calculation of the target Main Fund Return. This includes the Rental Management Fee as well as land and council rates, depreciation and other expenses estimated based on the Rental Manager's experience. Overall property profit is calculated based on the allocation of property types as held by the Rental Manager at 28 May 2019. It is assumed this mix will remain

consistent going forward.

Property Capital Gain

The target Main Fund Return assumes a capital gain of 2.0% per annum based on the lower range projected for 2021 in Melbourne.

Cost of Leverage

An interest rate of 4.0% per annum has been applied to borrowings in the calculation of the target Main Fund Return.

Fund Expenses

The target Main Fund Return includes a management fee payable to the Investment Manager of 0.75% of the GAV per annum. It also includes a performance fee of 20% of returns above the Benchmark.

7. Investment Manager and Rental Manager of Ready Set Short Term Rental Fund (the Main Fund)

Ready Set has been providing short-term property management for more than two years. The experience and the analytics gathered play a great deal in targeting the best properties on the market that could generate the highest revenue for the short-term rental business model.

READY SET FUNDS MANAGEMENT PTY LTD

Investment Manager

Ready Set Funds Management Pty Ltd ACN 633 166 873 (Investment Manager) has been appointed the investment manager of the Main Fund.

The role of the Investment Manager is to oversee the administration of the Main Fund and the Property Portfolio as follows:

- (a) investigate and select Residential Premises for purchase by the Trustee on behalf of the Main Fund;
- (b) negotiate (if necessary) on behalf of the Trustee with Banks or other lenders for a Loan or Loans to be entered into by the Trustee as borrower in relation to the Main Fund;
- (c) when Residential Premises are to be sold, arrange the sale of the Residential Premises;
- (d) manage the Property Portfolio including arranging insurance and maintenance of all Residential Premises forming part of the Property Portfolio.

READY SET APARTMENTS PTY LTD

Rental Manager

The Trustee has appointed Ready Set Apartments Pty Ltd (ABN 89 221 620 307) ("**Rental Manager**") to manage the Short Term Rentals in relation to the Property Portfolio.

The Rental Manager has been providing short term property management for two years. The Rental Manager's team is currently managing over 70 Residential Premises in the Melbourne CBD and the surrounding suburbs, which is double the number from the previous year. Currently, a new property is added approximately every other week.

The combination of low entry price, professional research, and professional property and rental management allows Investors the convenience of investing without the time consuming elements normally

associated with direct property ownership. Net proceeds from the rental operation of these apartments will be distributed quarterly to the Main Fund Unit Holders.

KEY PERSONNEL

Bruce Davey – Managing Director

Bruce Davey has been building successful businesses for 20 years – having built Fastmail.FM (webmail) and Optimal Decisions Group (Insurance Price Optimisation Software) from ground zero until completing sales of each to large multinationals prior to starting Ready Set.

Bruce got into apartment hosting as he saw that it wasn't being done well; the analytics and creativity applied at hotels to maximise the returns was not there, and neither was the service to guests. He felt this could be done to the benefit of owners and guests without giving away the cost advantage a short stay has over a hotel.

Stefan Stoyanov – Business Development Manager

Stefan has broad corporate finance background gained over 13 years with major European banks and in various investment managers in Europe and Australia. He has overseen the development and management of a number of investment vehicles with his core responsibility being financial analysis and management of financial and statutory reporting and compliance.

Ready Set Funds Management Pty Ltd (ACN 633 166 873) is the Investment Manager for the Main Fund and specialises in finding residential apartments in Australian cities. Ready Set Funds Management is the exclusive Investment Manager for the Main Fund's intended life of 10 years from 20 June 2019.

8. Benefits and Risks of Investment

BENEFITS:

The main benefits the Main Fund hopes to achieve are providing Main Fund Unit Holders with regular income via quarterly distributions (unless reinvested) and long-term capital growth through investing in a diversified, professionally researched portfolio of residential apartments in Australian cities. Some of the benefits of investing in the Main Fund are:

Convenience / Exposure to Australian property asset class

The Main Fund provides indirect property ownership without the management responsibilities of direct property ownership. The Investment Manager believes that the benefits of professional property and rental management and professional research, along with the long-term performance of the Residential Premises presents an attractive investment opportunity.

Regular income

The Main Fund will offer quarterly distributions, (unless reinvested) providing a regular source of income for Main Fund Unit Holders. Whilst a long-term rental can offer regular income, the short term rental rate is higher and can be a profitable option if the occupancy rate is consistent. The Main Fund will target Residential Premises in Australian cities that have the potential to deliver a regular and reliable income stream and achieve long-term capital appreciation. Distributions may be paid in cash or reinvested back into the Main Fund.

Re-investment of Distributions

Distributions may be reinvested. Applicants will be required to complete the reinvestment section contained in the Application Form. You can change your election at any time by contacting Primary by email at registry@primarysecurities.com.au.

Capital Growth

Capital growth is the percentage increase in the price of an asset over time; in the Main Fund. This will mostly result from increases in the value of the Residential Premises. If the value of the Residential Premises in the Main Fund increase in value, so too will the value of the Units held by Main Fund Unit Holders in the Main Fund. The Investment Managers expertise will help find and deliver Residential Premises that will achieve good capital growth over time.

Taxation benefits

There are potential tax deferrals for the Unitholders in the Main Fund. These potential tax deferrals should flow through to investors in Class N. Those tax deferrals will decrease an Investor's cost base for capital gains tax (CGT) purposes. Tax deferred percentage of distributions are expected to continue in the future life of the Main Fund. Further detail on tax deferral can be found at Section 8: Taxation.

Management /Expertise

Class N Investors indirectly own property via a registered managed investment scheme with a professional and experienced investment manager and a rental manager with experience in the sector, who may have access to information and investment opportunities not readily available to individuals.

Rental Management Services

The Rental Manager manages all aspects of the Short Term Rentals in relation to the Property Portfolio, including arranging rental bookings, maintaining the listings on relevant websites, arranging repairs, undertaking periodic inspections, arranging maintenance, and is responsible for arranging payment of the Rental Expenses.

Diversification

As the Main Fund is a pooled managed investment scheme where Main Fund Unit Holders money is pooled together, the range of Residential Premises that can be purchased is often much wider than the range of Residential Premises that may otherwise be purchased directly by a single person..

It is the intention of the Investment Manager to select Residential Premises in all States of Australia for the Main Fund to acquire. Generally, the more diversified an investment portfolio, the lower the impact that an adverse event affecting one investment will have on the income or capital value of the whole Property Portfolio because a downturn in the local economy for a particular location, or local competition may be limited to that particular location and not to other locations. The greater level of diversification means that investors are less exposed to the performance of individual assets.

Risk Management

The amount of Distributable Income that Main Fund Unit Holders (including Class N Investors) will receive depends on the current level of short term rental and hotel market rates, while the potential for capital gains depends on the property market, which does not always correlate. By investing in the Main Fund, an Investor may achieve a better investment outcome in case of a fall of the property market prices, due to the primarily income-oriented structure of the Main Fund and the type and location of the Residential Premises.

Quality occupants

Securing quality tenants significantly reduces the financial risks associated with investment in Residential

Premises. Less reliable tenants will be filtered by the thorough screening process conducted by the Rental Manager. The Short Term Rental market generally requires prepayment of Rent (or at least a deposit) when Tenants enter into Leases.

Transparency

The Investment Manager intends to regularly update Investors about the Main Fund management, strategy and potential opportunities.

Low volatility

The average gross rental yield in Australian Capital cities for two bedroom apartments has been relatively constant in the past decade, fluctuating between 3.9% and 4.9%. The Investment Manager aims to invest in low volatility properties to maintain predictable performance and a constant income stream. In terms of capital growth, property is also considered by the Investment Manager to be less volatile, compared to other asset classes.

RISKS:

Overview

All investments carry an element of risk and there are risks associated with investing in the Class N Units in the Primary Investment Board. Many risks are outside the control of the Responsible Entity. In particular the investments undertaken by Class N Investors are linked to the Main Fund as this is the only investment which Primary Securities Ltd, as responsible entity of Class N in Primary Investment Board will make.

Many risks are also outside the control of the Trustee of the Main Fund, the Investment Manager and the Rental Manager. If these risks eventuate, returns to the Class N Investors may not be as expected and distributions may be reduced or suspended and the underlying value of the Residential Premises may fall along with the Class N Unit Price. Distributions, the return of capital or any particular rate of return is not guaranteed by any person, trust or entity including Primary, the Class, the Main Fund the Investment Manager and the Rental Manager.

Prior to making a decision to invest in the Class N Units you should read this PDS carefully in its entirety and consider if an investment in Class N Units is a suitable investment, having regard to your personal investment objectives, financial position, and particular needs and circumstances. You should also consider and take into account the level of risk with which you are comfortable, the level of returns you require, as well as their frequency and nature, and your investment time horizon. We strongly recommend that you obtain your own independent legal and financial advice from qualified professionals.

While we have endeavored to disclose all key risks facing the Class N Units and the Offer the following list is not exhaustive and should be treated as a guide only. Please note given Class N Units are only invested in the Main Fund the following list of risks are linked to the Main Fund.

Tenant risk

A risk of short term accommodation is the possibility of Tenants behaving badly, for example any of the Residential Premises being used as a "party house" and being trashed, Tenants parking in the wrong bays, or Tenants making noise or otherwise causing a nuisance to neighbours.

The rules of occupation will prohibit parties and noise or other behaviour which is offensive to neighbours and require compliance with parking regulations. Generally, the maximum number of Tenants will be limited to 2 per bedroom plus 2. The number of visitors will be limited. A security bond will be taken from each Tenant or the right to debit their credit card in the event of any damage.

Residential Tenancy Legislation

There is a risk that a Tenant claims that their Lease is subject to the Residential Tenancies legislation and there is difficulty evicting the Tenant.

Rental Vacancy Risk

The Main Fund is heavily reliant on higher holiday rental income provided by Tenants. A fall in the number of Tenants could occur if there were factors which deter holiday makers coming to Australia or travelling within Australia.

Non Payment of Rent

There is a risk that Tenants who pay in arrears may default, or the Residential Premises experience long periods of time between Tenants seeking Short Term Rentals. If this occurs, the Main Fund is still required to cover statutory and operating expenses with no income or outgoings recaptured from Tenants. Such a situation will mean a reduction in the income for the Main Fund and a corresponding reduction in the distributions to Investors. Defaults and vacancies will also negatively impact on the valuation of the Residential Premises.

The Short Term Rental market generally requires prepayment of Rent (or at least a deposit) when Tenants enter into Leases. The leases by their nature are short and subject to keeping the number of defaults to a minimum the impact is generally not significant.

Online Travel Agency Risk

Online Travel Agencies sometimes adopt practices which are inconsistent with the orderly management and accounting for a fund of this nature- for example, they may

- reduce the rent the Rental Manager requires to be paid
- make bulk remittances for properties held by different owners (so for example, the Rental Manager may sometimes have to work out what proportion of a payment is for the Main Fund and what proportion is for other owners)
- delay making payment without giving information as to which properties are involved
- cross-collateralise payments and expenses in relation to different owners paid through the same payment channel
- provide little or no information about payments being made
- make deductions for fraud reserves, dispute reserves or other deductions
- withhold money otherwise due
- change the term of Leases even after the Lease commences if a Tenant requests this.

Most Tenants are sourced using online travel agent (OTA) platforms. A significant OTA cancelling or suspending a large account of the Main Fund, moving out of the apartment rental market or other major change to their interactions with the Main Fund or the Rental Manager is likely to cause a temporary or permanent period of lower rental occupancy.

Credit Card Fraud Risk

The majority of Rent is expected to be paid by credit card. Credit card owners can claim back payments where a card is used fraudulently.

Diversification risk

Until the Main Fund has assets of at least \$10 million, the Main Fund will not be adequately diversified in terms of number or location of the Residential Premises. The key risk with a lack of diversification is that lack of occupancy for one or a small number of Residential Premises, can have a significant adverse impact on the Main Fund's ability to pay, and the rates of, distributions.

Valuation risk

The Investment Manager will make use of computer-modelled valuations (**Desk Top Valuations**) between independent valuations undertaken every three years. Neither of these methods (independent valuations or Desk Top Valuations) can be guaranteed to exactly and accurately reflect the value of a property at a given time, as the sale of a property is the only reliable way to know its achievable market value.

There is no guarantee the Residential Premises will achieve a capital gain on a valuation or sale nor is there a guarantee the Residential Premises will not fall in value as a result of assumptions upon which the relevant valuation or sale is based proving to be incorrect.

Liquidity risk

An investment in Class N and ultimately in the Main Fund should be treated as illiquid as there is no established secondary market (e.g. stock exchange) for Units.

Class N Investors will not be able to withdraw their investment in Class N and ultimately the Main Fund unless the Trustee of the Main Fund makes a Withdrawal Offer. The Trustee of the Main Fund's intention is to consider, on a quarterly basis, making a Withdrawal Offer. The cash will be generated from the Main Fund's cash and cash equivalents, and/or sale of some of the Residential Premises acquired by the Main Fund.

The Trustee of the Main Fund does not guarantee that Withdrawal Offers will be made on a regular basis or with any particular frequency. Further, if a Withdrawal Offer is made, you may not be able to withdraw the full amount requested. This is because the amount of Withdrawal Requests may exceed the amount available under the Withdrawal Offer. Buyback Requests from Class N Investors will be satisfied on a pro-rata basis or in the next Withdrawal Period.

Litigation and counterparty risk

The Main Fund may, in the ordinary course of business, be involved in possible litigation and disputes, for example, tenancy disputes, health and safety claims and any legal claims or third-party claims. A material or costly dispute or litigation may affect the value of the Assets or the expected income of the Main Fund. In addition, litigation may arise from disputes with respect to counterparties, such as sellers or buyers of the Residential Premises or other contracts.

Fall in property value

A downturn in the property market, particularly the residential property market, will have an adverse effect on the value of the Main Fund. Factors causing fluctuations in the property market may include changes in economic, social, technological, political, legal or accounting conditions, as well as market sentiment in relation to Australian markets.

Underperformance of the Main Fund's investment strategy

The strategy chosen for the Main Fund may underperform its stated performance objectives, even if the general market performs well. Neither the Trustee nor the Investment Manager or Rental Manager can assure performance of the investment strategy, so underperformance of the Investment Manager and the Rental Manager is one of the key risks for the Investor.

Exercise of Discretions

The decision to exercise discretions, or not to exercise them, can adversely or profitably affect the value of the investments and therefore also the investment returns. Class N Investors have no recourse to Primary, the Trustee, the Rental Manager or the Investment Manager or how any of them exercise any of their discretions.

Bank Finance

The purchase of some of the Residential Premises may require bank finance. There is no guarantee that bank finance can be obtained or if obtained that the interest rates will be competitive or commercially viable.

Interest rates may rise

Interest rates may rise (to the extent that rates are not locked in). This may adversely impact on the cash flow position of the Main Fund.

Inability to refinance on debt maturity or breach of loan covenants

Financiers may tighten their requirements and it may be difficult to refinance Loans on the maturity of the loan, or could declare the Main Fund in breach of loan covenants (particularly if the value of the Residential Premises falls), which could result in the relevant properties having to be sold under forced conditions.

Insurance Risks

Various factors might influence the cost of maintaining insurance over the Residential Premises, or the extent of cover being available. Increased insurance costs, or limits on cover, can have a negative impact on the performance of the Main Fund. There are also some potential losses that cannot be insured including force majeure events.

Uncontrolled Events

There is a risk of uncontrolled events, such as a pandemic or natural phenomena and terrorist attacks, may affect the Residential Premises owned by the Main Fund for which insurance is not available or for which the Main Fund does not have insurance cover. Should such an event occur, a loss will result which will have negative impact on the income and capital value of the Main Fund.

The effect of Coronavirus COVID-19 is uncertain but there is a risk that both foreign and intranational tourism could contract while the disease remains prevalent.

Capital Expenditure

There is a risk that capital expenditure could exceed expectations (for example if Residential Premises or complex require substantial capital upgrades imposed by the relevant strata company), resulting in increased funding costs and therefore lower Distributions. Capital expenditure exceeding expectation could also result in the Main Fund needing to do an additional capital raise to raise the Main Funds required, which will dilute Unit Holdings for existing Main Fund Unit Holders, which may lower Distributions and capital gains to Main Fund Unit Holders.

Unexpected expenses

Residential Premises that are not new can sometimes generate unexpected capital and Residential Premises expenses, for example, replacement of air conditioning.

Trading Trust Risk

The Main Fund has been established as a Managed Investment Trust with income passed through to Main Fund Unit Holders. There is the risk that the ATO may at a future time treat the Main Fund as a public trading trust. If such occurs, then the Main Fund would pay income tax on the net income it receives at the company tax rate, any capital returns would be treated as income and taxed appropriately, and distributions would be accompanied by franking credits. The Trustee, Investment Manager and the Rental Manager intend to operate the Main Fund as a trust for rental purposes and not as a trading business.

Financial Assets Risks

To the extent that the Main Fund will be investing available surplus cash in financial assets, there will be all usual stock market risks, including the risk that such financial assets as are being acquired could fall in value.

Regulatory risk

This is the risk that a government or regulator may affect the value of the Residential Premises, Furniture, Fixtures and Fittings securities of the Main Fund, by introducing regulatory or tax changes.

Market risk

Economic, technological, political or legislative conditions and even market sentiment can (and do) change and this can mean that changes in the value of property markets can affect the value of investments held in the Main Fund.

MAIN FUND RISKS

The following risks relate to an investment in Fund which are linked to investment in Class N Units in Primary Investment Board and their impact on the financial information contained in this PDS:

Investment Manager Risk

The Investment Manager is responsible for providing property acquisition and Property Portfolio management services in relation to the Residential Premises held by the Main Fund on a day to day basis. If the Investment Manager fails to do so effectively, then this could negatively affect the performance of Class N Units in Primary Investment Board. In particular, there is a risk that the Investment Manager may fail to manage the risks appropriately or fail to properly execute the Main Fund's investment strategy. These factors could have an adverse impact on the financial position and performance of the Class N Units in Primary Investment Board. The Investment Manager's key personnel have experience in transacting Residential Premises, operating commercial properties, financing, structuring, and funds management.

Rental Manager Risk

The Rental Manager is responsible for providing Short Term Rental management services in relation to the Residential Premises held by the Main Fund on a day to day basis. If the Rental Manager fails to do so effectively, then this could negatively affect the performance of Class N Units in Primary Investment Board. In particular, there is a risk that the Rental Manager may fail to manage the risks appropriately or fail to properly execute the Main Fund's rental strategy. These factors could have an adverse impact on the financial position and performance of the Class N Units in Primary Investment Board. The Investment Manager's key personnel have experience in the Short Term Rental industry.

The Rental Manager will continue to operate a Short Term Rental Portfolio of apartments for short term rental in addition to the Residential Premises in the Main Fund. Rent from all apartments is deposited into the one operations account. The Rental Manager reserves the right to relocate a Tenant from one apartment to another for operational reasons (including from an apartment in the Main Fund to an apartment outside the Main Fund). Operational reasons could include times when an apartment is being upgraded or maintained. This could result in conflict between apartments in the Main Fund and apartments the Rental Manager otherwise looks after.

The Rental Manager has a rent allocation policy which attempts to avoid questions of conflict. Such a conflict is not likely as the Rental Manager earns similar fees from both activities. Also, in most cases, it is the Tenants who choose which apartments they wish to stay in.

Investment Speculative

An investment in the Class N Units in Primary Investment Board is speculative. The Units to be issued pursuant to this PDS carry no guarantee with respect to the payment of distributions or the return of capital. Accordingly, you risk losing some or all of your investment in Class N Units in Primary Investment Board. You should consider that an investment in Class N Units in Primary Investment Board is speculative and you should consult your professional advisers before deciding whether to apply for Class N Units in Primary Investment Board pursuant to this PDS.

Withdrawal and Distributions Risks

The Main Fund's ability to redeem units and pay distributions (and therefore Primary's ability to redeem Units and pay distributions to Class N Investors) will be subject to a number of factors, including:

- The performance and payment of Short Term Rentals of the Residential Premises held by the Main Fund.
- The repayment of loan principal and interest to third party mortgagees with respect to the Residential Premises held by the Main Fund.
- The liquidity position and cash flow of the Main Fund.
- Movements in interest rates.
- Compliance with the requirements of the relevant taxation and corporations' legislation.

Note: The payment of distributions, rate of return and the return of capital are not guaranteed for Class N Units in Primary Investment Board.

Priority

If the Class N of Primary Investment Board or the Main Fund were to be wound up, then Class N Investors rank behind secured creditors i.e. Class N Investors are not secured and Class N Investors are not considered to be secured creditors. This is equally true in relation to Primary's investment on behalf of Class N Investors in the Main Fund.

Borrowing Risk

The Main Fund may borrow money from financial institutions. Gearing comes with risk and gearing Residential Premises can increase the potential for capital losses, as well as gains. If the Main Fund is unable to service the loan, the distributions to Class N Investors may be reduced or suspended and the lender may enforce its security over the Residential Premises.

Property Due-Diligence and use of Experts

Class N Investors are dependent upon the due diligence carried out by the Trustee of the Main Fund and the Investment Manager. In acquiring interests in Residential Premises, the Trustee of the Main Fund will engage experts to prepare reports as part of its due-diligence enquiries. These reports will be relied on by the Trustee of the Main Fund in assessing the risks associated with ownership of the Residential Premises. Whilst Primary and the Trustee of the Main Fund have no reason to believe those enquiries will not be appropriate and complete, they cannot guarantee all risks and potential problems associated with the investment will be identified and will be properly addressed.

Forward Looking Statements

There can be no guarantee that the assumptions and contingencies on which the forward looking statements, opinions and estimates are based will ultimately prove to be valid or accurate. The forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of the Trustee of the Main Fund, the Investment Manager and the responsible entity of Primary Investment Board.

Limitations on Investors

Class N Investors in Primary Investment Board have no direct control over the selection or holding of the Main Fund's Assets or its day-to-day operations.

GENERAL RISKS

General risks which may affect the performance or value of an investment in the Class N Units in Primary Investment Board include:

- Movements in interest rates, inflation and foreign exchange rates.
- Different geographic locations have different real estate markets which may fluctuate from time to time.
- A correction in the Australian real estate market could have a significant impact on the value of the Main Fund's Residential Premises ability to find tenants, ability to pay distributions and to fulfil Withdrawals.
- A correction in the broader Australian real estate market may result in a loss of some or all of the value of the Main Fund's Residential Premises and ability to find tenants.
- Movements in the inflation rate.
- Changes in Government, monetary policies, taxation and other laws.
- Natural or manmade disasters and acts of terrorism.
- An increase in competition within the market or the area near the Main Fund's Residential Premises.
- The illiquidity and cost of capital markets.
- The state of the Australian and world economies.
- Negative investor and/or consumer sentiment which may keep the value of assets depressed.
- Change in legislation negatively affecting the Residential Premises rental business;
- A significant international event;
- A pandemic occurrence;
- Outbreak of war;
- An act of terrorism;
- An international conflict;
- Oil production or distribution problems internationally; and
- Other general and political events.

The Investment Manager intends to abide by the ASIC Benchmarks which will mitigate the above mentioned general risks.

IMPORTANT NOTICE

The list of risk factors in this Section of the PDS is not complete. Intending Class N Investors in Primary Investment Board should consult with their own professional advisers before deciding whether to invest in Class N Units in Primary Investment Board. The Responsible Entity of Primary Investment Board, the Trustee of the Main Fund, Investment Manager and their associates, employees, advisors and representatives do not guarantee any investment in Class N Units in the Primary Investment Board. Residential Premises investment, by its nature, carries a level of risk and no guarantee is or can be given that an investment in the Class N Units in Primary Investment Board will not decrease in value and that Class N Investors in Primary Investment Board will not suffer losses including loss of some or all of your capital. Please read this PDS in full and consider your attitude towards risk before deciding to invest in the Class N Units in Primary Investment Board. You should also assess, in consultation with your professional advisers, how an investment in the Class N Units in Primary Investment Board fits into your overall investment portfolio.

9. TAXATION

AMIT

Class N will be an Attribution Managed Investment Trust (**AMIT**). This means that investors in Class N will pay tax on any income or capital gains attributed to the Investor.

Income

Investors are required to include in their assessable income their attributed share of the Class's net income for a particular income year. This applies whether or not the income is paid.

Tax losses

Tax losses incurred by the Main Fund are not able to be distributed to Main Fund Unit Holders including Class N. These losses will be carried forward by the Main Fund and offset against future assessable income subject to satisfying loss recoupment rules. Any capital losses made by the Main Fund can be carried forward and offset against future capital gains.

Depreciation benefits

Depreciation benefits will flow through to Class N Investors in the Primary Investment Board. In summary, the Main Fund will be able to claim depreciation deductions in relation to the Residential Premises. This will allow the Main Fund to distribute to Primary as a Main Fund Unit Holder in the Main Fund and pass that to Class N Investors in the Primary Investment Board income that may not be included in the assessable income of Investors in Class N because it is deferred income. However, to the extent that such income is not taxable it will reduce the cost base, for capital gains tax purposes, of the Class N Units owned by the Class N Investors in the Primary Investment Board. This may have tax consequences for the Class N Investors in the Primary Investment Board when the Units in Class N are sold or redeemed.

The extent of the likely depreciation benefits and the extent to which they can be distributed to Class N Investors in the Primary Investment Board are being ascertained by the Main Fund. The Main Fund is not able to provide any indication of the quantum of the likely benefits at this stage. Class N Investors in the Primary Investment Board may need to seek financial advice in relation to this issue.

Capital Gains Tax (CGT)

The Main Fund's investments will be held on a capital account. Accordingly, when Residential Premises are sold, if the sale price exceeds the amount the Main Fund paid for the investment, Main Fund Unit Holders will receive distributions that are a capital gain. In that instance, Main Fund Unit Holders (and hence Investors in Class N) will be treated as having derived a capital gain equal to their proportional share of the capital gain. Where the investment has been held for at least twelve months, Investors may be entitled to access the discount capital gain concession in respect of the capital gain. Special rules apply to preserve the benefit of the CGT discount on capital gains distributed through trusts. Main Fund Unit Holders who are companies do not qualify for the discount capital gain concession.

Any current year capital losses or carry forward net capital losses of a Main Fund Unit Holder must be offset against the capital gain before applying the CGT discount. The resulting amount is referred to as a net capital gain and should be included in the Investor's assessable income for the relevant year.

Non resident Investors

Investors that are non-resident for tax purposes must supply their overseas addresses on the Application Form. To comply with Australian tax law, withholding tax of 30% will be deducted from all income distributed to these Investors.

Tax summary

The Responsible Entity will provide Investors with any tax summary of income during a Financial Year.

Stamp Duty on the transfer of Units

No marketable securities duty is payable on the transfer of Units held by Investors in Class N.

Goods and Services Tax (GST)

GST should not be payable on the issue or withdrawal of Units nor on any of the distributions to Main Fund Unit Holders. GST may apply to the fees charged to the Main Fund by the Investment Manager and in relation to other expenses of the Main Fund. The Main Fund may be entitled to claim input tax credits and / or reduced input tax credits for any GST paid.

Income Tax

Class N of the Primary Investment Board is or will be an Attribution Managed Investment Scheme. This means that Class N Investors will pay tax on any income attributed to the Class N Investor.

Primary will provide Class N Investors with a tax summary as at 30 June of income and capital gains during the previous Financial Year. Class N Investors can expect to be assessed for tax on this income and capital gains. This taxation information is of a general nature only. Class N Investors and prospective Class N Investors should seek their own advice in relation to their own circumstances.

Responsibility for tax advice is yours

Prospective Class N Investors in the Primary Investment Board must take full and sole responsibility for obtaining taxation advice with respect to their investment in Class N Investors in the Primary Investment Board, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of that investment. Accordingly, prospective Class N Investors in the Primary Investment Board should seek taxation advice that takes into account their individual circumstances. Any taxation information provided in this PDS is of a general nature and does not constitute personal tax advice.

10. Fees and Other Costs

CONSUMER ADVISORY WARNING

DID YOU KNOW?

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

For example, total annual fees and costs of 2% of your fund balance, rather than 1%, could reduce your financial return by up to 20 percent 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 Investor services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask Primary or your financial adviser.

TO FIND OUT MORE

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

FEES AND COSTS OF THE CLASS (INCLUDING THE MAIN FUND FEES AND COSTS)

Type of fee or cost	Amount	How and when paid
Fee when your money moves in and out of Primary Investment Board		
Application Fee: The fee payable to the Investment Manager on Applications from Class N of Primary Investment Board.	Nil	Not applicable
Establishment fee (the fee to open your investment)	Nil	Not applicable
Contribution fee (the fee on each amount contributed to your investment - either by you or your employee)	Nil	Not applicable
Withdrawal Fee: The fee on each amount you take out of your investment.	Nil	Not applicable
Termination fee (the fee to close your investment)	Nil	Not applicable
Transfer Fee For each transfer	Primary charges \$110 including GST	By you when you transfer

Type of fee or cost	Amount	How and when paid
Ongoing Costs payable to Primary direct from Class N		
Establishment fee	Refer "Additional explanation of fees and costs" ¹ below.	
Monthly Fees and expenses for Class N	Primary charges 0.385% per annum of the gross value of Class N including GST plus a share of out-of-pockets of Primary Investment Board (up to a cap of 0.165% including GST per annum).	Monthly from the bank account for the Class.
Monthly Fees and expenses for Class N	Primary will charge and pass on to Ready Set 0.51% per annum of the gross value of Class N including GST net RITC	Monthly from the bank account for the Class.
Additional fees	Refer "Additional explanation of fees and costs" ² below	
Ongoing Costs payable to Primary indirectly from the Main Fund		
Establishment fee	Refer "Additional explanation of fees and costs" ¹ below.	
Professional indemnity insurance	Whichever is the greater of: (a) \$550 including GST per \$1m GAV of the Main Fund per annum; or (b) \$1,200 per annum At any time the Trustee may seek to be paid such proportion of its premium for professional indemnity insurance as the Trustee in its reasonable opinion decides.	Monthly from the Main Fund in arrears.

Ongoing Costs payable to the Investment Manager indirectly from the Main Fund		
Acquisition Fee: The fee payable to the Investment Manager when a new Residential Premises becomes an Asset of the Main Fund.	Acquisition Fee: The fees payable to the Investment Manager are up to 2.09% including GST of the purchase price of the Residential Premises.	Payable once the Main Fund becomes the registered proprietor of the Residential Premises.
Management Fee: The fee payable to the Investment Manager for the management of the Main Fund.	Management Fee: The management fees payable to the Investment Manager are 0.77% including GST net of RITC of the GAV of the Main Fund.	Payable monthly from the bank account for the Class and monthly by the Main Fund respectively.
Performance Fee: The fee payable to the Investment Manager on the sale of the Residential Premises, calculated as a percentage of the amount by which each asset's internal rate of return exceeds certain benchmarks.	20.5% including GST net RITC of the amount by which total returns of the Main Fund exceed the returns of the Benchmark of 7.5%, calculated each year (net of fees and expenses and before tax). Refer "Additional explanation of fees and costs" ³ below.	If entitled, payable annually from the Main Fund.
Ongoing Costs payable to the Rental Manager indirectly from the Main Fund		
Rental Establishment Fee	\$1,112 including GST for each new Residential Premises listed, styled and set up.	As and when set up.
Rental Management Fee	16.5% including GST of Gross Rent	Paid to the Investment Manager on a monthly basis.
Other Fees and Costs paid indirectly from the Main Fund		
On-line Travel Agency Fees (including payment processing of 3% of the total cost of booking where the Rental manager charges the Tenant's credit card manually).	Actual expense incurred	Paid from the Main Fund as and when incurred.
Bank fees and interest	Actual expense incurred. Note the Performance Fee will be calculated after any incurred bank fees, charges or interest.	Paid from the Main Fund as and when incurred.

TRUSTEE'S FEES

The Investment Manager will pay the fees of the Trustee (of the Main Fund) from out of its own fees. The Trustee's fees are as follows:

Fees Payable to the Trustee of the Main Fund by the Manager from out of its own fees		
Trustee's monthly fee	For GAV up to \$20m, whichever is the greater of \$1,500 plus GST or 1/12 th of 0.2% of GAV plus GST. For GAV over \$20m, whichever is the lesser of \$3,750 plus GST or 1/12 th of 0.2% of GAV up to \$20m plus 1/12 th of 0.05% of GAV in excess of \$20m plus GST. For GAV of \$60m and above, \$5,000 plus GST.	Monthly paid by the Investment Manager from out of its own fees.
Trustee's administration fee	For GAV up to \$30m, whichever is the greater of \$1,250 plus GST or 1/12 th of 0.08% of GAV plus GST. For GAV over \$30m, whichever is the lesser of \$2,500 plus GST or 1/12 th of 0.08% of GAV up to \$30m plus 1/12 th of 0.03% of GAV in excess of \$30m plus GST. For GAV of \$80m and above, \$3,250 plus GST.	Monthly paid by the Investment Manager from out of its own fees.

In the event that the Investment Manager was to be in default, the Trustee would take these fees directly from the Main Fund.

ADDITIONAL EXPLANATION OF FEES AND COSTS

¹Establishment fees

A one-off establishment fee of \$8,250 including GST is payable to Primary as Responsible Entity of Class N and an establishment fee of \$26,125 plus GST is payable to Primary as the Trustee of the Main Fund for its work and costs in establishing the Main Funds. These fees have been paid by the Investment Manager. The Investment Manager will recoup the establishment fee for the Main Fund from the Main Fund's assets.

Any additional expenses incurred by Primary as the Responsible Entity of the Class and Trustee of the Main Fund including those expenses associated with establishing and operating the Main Fund that can be recovered will be recouped in line with the respective scheme documents.

²Additional Fees

Until Allotment, Primary is entitled to any interest earned on the Application Fee (because the cost of calculating and accounting for interest for small amounts does not justify calculation).

If Primary is required to pay any taxes in relation to the Class, Primary may be indemnified from the Investor's Proportion of those taxes out of the Class.

Each Investor who wishes to copy any document of Primary must pay the fee as prescribed under Schedule 4 of the Corporations Act.

³Performance Fees

The Performance Fee payable to the Investment Manager is 20% (20.5% incl GST net RITC) of the amount by which total returns of the Main Fund exceed the returns of the Benchmark, calculated each year (net of fees and expenses and before tax).

The Benchmark is a Fund Return of 7.5% in relation to a Financial Year

Fund Return is calculated (in relation to a Financial Year) as follows:

- (a) income less Ongoing Expenses; plus
- (b) any increase in the Gross Asset Value (including unrealised capital gains);

Ongoing Expenses means all fees and costs, Rental Expenses and Operating Expenses but does not include the Performance Fee, Acquisition Fee, Disposal Fee or Acquisition Costs;

It is the intention of the Trustee to obtain an independent valuation of the Residential Premises to determine the Gross Asset Value of the Main Fund every three years. However, the calculation of the Performance Fee (in those years when an independent valuation is not obtained) will be done on the basis of a Desk Top Valuation.

Advisor Payments

If an Advisor introduces you to Class N and you are liable for the Advisor's Fees Primary agrees to pay up to 5% of the Application Moneys to the Advisor as set out in the Application Form. However, any amount paid to the Advisor will reduce the number of Units you will receive in Class N.

You will be required to agree to the payment on the Application Form and the details of the Advisor, including their bank account details, must be included in the Application Form.

Right to Change Fees

Fees may be changed in line with the Constitution on 30 days notice.

REQUIRED EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE – Investment in Class N		
This table gives the example of the fees and costs of investment in Class N of Primary Investment Board in the Financial Year ending 30 June 2021 for an Investor who holds a balance worth \$50,000.		
Payable to Primary	<p>Primary Investment Board Cost – Up to 0.55% including GST</p> <p style="text-align: center;">\$275.00</p> <p>Main Fund PI Insurance – Assuming the minimum PI payment is met, \$550 including GST per \$1m GAV</p> <p style="text-align: center;">\$27.50</p>	<p>Primary charges a fee of 0.385% including GST of the gross value of your investment in the Class plus out of pockets of the Primary Investment Board (up to a cap of 0.165% per annum including GST). For an investment of \$50,000, this would amount to \$275 per annum (including GST).</p> <p>Primary charges a fee to the Main Fund of whichever is the greater of:</p> <ul style="list-style-type: none"> (a) \$1,320 per annum (including GST); or (b) \$550 (Including GST) per \$1m GAV, per annum invested in the main fund. <p>Assuming the minimum PI payment is met, for an investment of \$50,000 this would amount to \$27.50 per annum (including GST)</p>
Payable to Investment Manager	<p>Ready Set Short Term Rental Fund Class N – 0.51% including GST net RITC</p> <p style="text-align: center;">\$255</p>	<p>Primary charges a fee of 0.51% including GST net RITC of the GAV in for Class N units which will be paid to Ready Set. For an investment of \$50,000, this would amount to \$255 (including GST net RITC).</p>

	<p>Ready Set Short Term Rental Fund Management Fee - 0.77% including GST net RITC</p> <p>\$385</p> <p>The Main Fund Performance Fee - 20.5% including GST net RITC</p> <p>\$0.00 - \$153.75</p>	<p>The Investment Manager charges a fee of 0.77% including GST of the GAV in the Main Fund. For an investment of \$50,000, this would amount to \$385 (including GST net RITC).</p> <p>The Investment Manager is entitled to a performance fee of up to 20.5% including GST net RITC of the amount by which total returns of the Main Fund exceed the returns of the benchmark. The benchmark is set at 7.5% per annum. The Target Fund Return is 9%. For an investment of \$50,000 this would equate to a performance fee of \$153.75 (including GST). Note that this figure could be higher depending on the performance of the fund during the year.</p>
Payable to Rental Manager	<p>The Main Fund Rental Management Fee - 16.5% including GST</p> <p>\$735.08</p>	<p>The Rental Manager charges a fee to the Main Fund of 16.5% including GST of Gross Rentals received. Per the assumptions used to assess the Target Fund Return, rental yield on long term rental properties is assumed to be 8.91%. This represents a fee of \$735.08 (including GST). This fee is dependent on rental revenues received during the period.</p>
Total		<p>If you had an investment of \$50,000 at the beginning of the year you would be charged fees of from:</p> <p>\$1,677.58 - \$1,831.33</p> <p>What it costs you will depend on the investment option you choose and the fees you negotiate.</p>

This is example does not include payment for any extra costs incurred by either fund and assumes no additional residential premises are set up during the period.

What it costs you will depend on the fees you negotiate with us or your financial adviser. The above fees may change on 30 days' notice to Class N Investors.

II. The Responsible Entity and Custodian

The responsible entity for the Primary Investment Board is Primary Securities Ltd ABN 96 089 812 635 (**Primary**). Primary is a licensed responsible entity which holds AFSL No. 224107 and is the responsible entity for a number of registered retail and unregistered wholesale managed investment schemes. Primary has the primary responsibility to operate Primary Investment Board and to perform functions conferred on it by the Constitution.

Further information regarding Primary is available by looking at its website <https://primarysecurities.com.au>.

PRIMARY'S DIRECTORS

DAVID BUTTERFIELD, ACA, FTI *Chairman of Primary Securities Ltd*

David Butterfield is a Chartered Accountant and Management Consultant with significant professional experience. His professional career commenced in 1969 when he worked for Touché Ross & Co and then Price Waterhouse & Co. He commenced his own accounting practice in 1977.

Since then David has been involved in pooled investments. Around 50% of his clients were film and/or television producers. David structured and helped fund numerous Australian productions over a thirty-year period. He has also been instrumental in structuring and funding live productions.

Since 2003 he has been the Managing Director of two funds management businesses in Residential Premises, securities and derivatives, CFO and COO of an institutional funds management business investing in securities and derivatives and also acts as a Responsible Manager on other AFSL's mainly with a Residential Premises focus. His specialties include AFSL advice, strategic advice, project and transaction management, taxation and general business advice.

ROBERT GARTON SMITH, LLB, B Com, GDipFinPlanning (Sec Inst), F Fin *Managing Director of Primary Securities Ltd*

Robert Garton Smith is the Managing Director of Primary Securities Ltd and has been its responsible manager in relation to managed investments since inception.

Robert has degrees in law, commerce and financial planning and is a legal practitioner and a registered tax (financial) advisor.

Robert is a member of the Law Society of Western Australia and the Australian Compliance Institute and is a Fellow of the Financial Services Institute of Australia and the Association of Financial Advisors.

He has worked in the area of managed investments since 1981 and has prepared and overseen dozens of managed investment schemes relating to financial assets, derivatives, property, property developments, mortgages, film, forestry, and other investments.

NATASHA OLSEN, LLB *Director/Company Secretary of Primary Securities Ltd*

Natasha has a Bachelor of Laws Degree from Notre Dame University and was admitted to practice law by the Supreme Court of Western Australia in November 2015. Natasha is a member of The Law Society of Western Australia.

With the exception of two years in London, Natasha has been employed by Primary since its formation and has considerable experience of all aspects of the business. Natasha is in charge of operations.

PRIMARY'S ROLE

Primary sees its duty as being to invest in the Main Fund on behalf of the Class N Investors, and to take whatever measures a prudent investor would take in relation to investment in the Main Fund.

CUSTODIAN

Assets of Class N of Primary Investment Board will be held in the name of Sandhurst Trustees Limited ("**Sandhurst**") as custodian.

Sandhurst is a wholly owned subsidiary of Bendigo and Adelaide Bank. Sandhurst are a highly regarded financial services provider and part of Bendigo and Adelaide Bank's wealth management arm. Sandhurst was established in 1888 and have evolved from a traditional trustee company to a modern full service wealth manager offering managed funds, superannuation, commercial loans, access to funeral bonds and the provision of corporate trustee and custodial services

Primary Securities Ltd has appointed Sandhurst under a custodian agreement. Sandhurst's role is to hold the assets in its name and act on the directions of Primary Securities Ltd to effect cash and investment transactions.

Sandhurst has no supervisory role in relation to the operation of Primary Investment Board and has no liability or responsibility to any Investor for any act done or omission made in accordance with the custodian agreement.

Sandhurst's role as custodian is limited to holding the assets of the Primary Investment Board.

12. Dispute Resolution and Complaints

DISPUTES RESOLUTION AND COMPLAINTS HANDLING PROCEDURES

Primary has appointed solicitor Ms Anna Catelli, B Juris., LLB., Dip. Ed., as its Complaints Officer. The Complaints Officer will be instructed to deal with any expression of dissatisfaction with the service offered or provided by Primary as follows:

Complaints Handling Methods

For Complaints in relation to either Primary Investment Board or Class N, Primary will deal with these Complaints in compliance with the dispute resolution requirements in section 912A(2) of the Corporations Act and the following methods:

- (a) all Complaints are to be acknowledged promptly;
- (b) complaints that do not require investigation are to be resolved immediately or expeditiously;
- (c) otherwise, within 21 days of the Complaint being made, the Complaint is to be investigated, the Complainant is to be given an opportunity to provide information, the Complaint is to be properly considered, and a report is to be prepared and provided to the Managing Director;
- (d) a decision is to be made by the Managing Director and the decision communicated to the Complainant with the reasons for the decision within 28 days of the Complaint being made;
- (e) at the same time of advising the Complainant of the outcome of the Complaint Primary will also advise the Complainant that they may complain to the Australian Financial Complaints Authority should the Complainant be unhappy with the outcome of Primary's Complaint handling procedure.

The Australian Financial Complaints Authority (AFCA) may be contacted:

- by phone on 1300 931 678;
- by email to info@afca.org.au;
- by writing to GPO Box 3, Melbourne , VIC 3001.

AFCA will first invoke a conciliation process. If the Complainant still does not get a satisfactory outcome the Complainant has the right to have the matter arbitrated by an adjudicator or panel. Each Complaint is handled in confidence and without affecting any legal rights of the Complainant should they remain dissatisfied.

Any issues arising from complaints that have material ramifications for other Class N Investors or Main Fund Unit Holders shall be reported by the Complaints Officer of Primary to the Board of Primary.

AFCA may not deal with all Complaints from wholesale clients, in which case only arbitration or legal proceedings are available.

13. Details of the Material Agreements

1. CONSTITUTION FOR PRIMARY INVESTMENT BOARD

On your Application to become a Class N Investor being accepted by Primary by you being allotted one or more Class N Units, you will become a party to the Constitution for the relevant Class. A summary of some provisions of the Constitution are set out below. Relevant definitions appear in the Glossary of Terms in Section 15. A copy of the Constitution may be inspected at Primary's office during business hours.

Investors in this Class

Only those Investors:

- (a) who have applied for Class N Units pursuant to this PDS; or
- (b) any person who takes Class N Units by transmission, transfer, mortgage, assignment or other disposal in Class N;

will be Investors in Class N.

Transfer Forms

Transfers shall be in such form as may from time to time be prescribed by Primary or are otherwise acceptable to Primary.

Signatures Required and Effective Date

Any transfer must be signed by both the transferor and transferee and shall state that the transferee agrees to be bound by the Constitution. The transferor shall be deemed to remain the holder of any Units until the name of the transferee is entered in the Register in respect of such Unit(s) by Primary.

Transferee to be Bound

A transferee in respect of a Class N Unit shall be bound by the provisions of the Constitution.

Period of a Class

A particular Class shall terminate upon that particular Class being wound up by Primary.

Prior Termination of the Class

At any time a meeting of Investors of a Class under the Constitution may by Special Resolution resolve that the Class be terminated, whereupon Primary shall wind up Class N in accordance with the Constitution.

Corporations Act to govern calling of meetings

All meetings of All Investors of Primary Investment Board or of the Class shall be held in accordance with the provisions of the Corporations Act with the following variations:

- (a) **Quorum**

The quorum necessary for a meeting at which an Ordinary Resolution only is to be proposed shall be 2 Investors. The quorum necessary for a meeting at which a Special Resolution only is to be proposed shall be that number of Investors as represents a minimum of 10% of the face value of the issued Units (in relation to the relevant Class or All Investors (as the case requires)) of the persons entitled to vote.

(b) One Investor

Where the Primary Investment Board or Class N has only one Investor, any resolution required to be passed at a meeting of Investors can be done by the Investor recording the resolution in writing and signing it.

(c) Signed resolution

Any resolution required to be passed at a meeting of Investors or All Investors can be done by the required majority of Investors or All Investors (as the case requires).

Notices

Notice by Primary or Investor must be in writing (which includes email but not a text message or facsimile).

Electronic Communications to Investors

Primary may send or deliver any document required to be sent or delivered to an Investor by making that document available on the website of Primary for the period commencing on the date the document is required to be sent or delivered to an Investor and ending no earlier than 6 months later.

Notice to Primary

Any notice, report or other communication required to be given to Primary:

- (a) may be sent by e-mail;
- (b) may be either delivered or sent to Primary by post in a prepaid envelope addressed to the registered office for the time being;
- (c) must bear the actual or electronic signature of the Investor or a duly authorised officer or representative of the Investor unless Primary dispenses with this requirement;

Register

An up-to-date register of Investors in Class N of the Primary Investment Board as required by Chapter 2C of the Corporations Act will be kept and maintained by Primary at its registered office, or principal place of business.

Change of Name or Address

Any change of name or address of any Class N Investor must be notified to Primary in writing which must alter the Register accordingly.

Inspection and Copying

Any Investor shall be entitled at all times when the registered office of Primary is open for business to the public, and without charge, to inspect the Register.

Amendments to Constitution

The Constitution may only be amended as permitted by the Corporations Act.

2. CO-OPERATION AGREEMENT

Means the Co-operation Agreement entered into between Primary and the Investment Manager pursuant to which the Investment Manager of the Main Fund permits Primary to quote from the Information Memorandum for the Main Fund and agrees to cooperate in relation to requests of Primary.

14. Other matters

Reports

Primary will provide each Class N Investor with a copy of the Main Fund's Quarterly Reports which detail the Main Fund's investment holdings.

Primary will also make available to each Class N Investor the annual financial report of Primary Investment Board but this will be a consolidation of the investments of all Classes. Primary will also make available to each Class N Investor an annual financial report for Class N.

Register

Primary will make available to each Class N Investor a copy of the Register of Investors for their Class or Primary Investment Board if requested by any Class N Investor.

Labour, Environmental, Social and Ethical Standards

Primary does not take into account any labour, environmental or ethical standards when investing in the Main Fund as responsible entity of Primary Investment Board.

Total Minimum Subscription is \$50,000

No Class N Units in Primary Investment Board will be issued unless Applications for Class N Units equal in value to \$50,000 are received within 3 months of the date of this PDS.

Cooling off Right

No cooling off rights are available in Class N Units.

Responsibilities and Consents

Butler Settineri (Audit) Pty Ltd has given its consent to be named as the auditor of the Primary Investment Board. Marius Van Der Merwe of Butler Settineri (Audit) Pty Ltd, the compliance plan auditor, has given his consent to be named as the compliance plan auditor of the Primary Investment Board. Butler Settineri (Audit) Pty Ltd or Marius Van Der Merwe have not authorised or caused the issue of this PDS and have not made, nor purport to make, any statements in this PDS.

The Trustee has given (and has not before the issue of the PDS withdrawn) its written consent to the statements made by or based on statements made by or about it in this PDS in the form and context in which they appear.

Ready Set Funds Management Pty Ltd has given (and has not before the issue of the PDS withdrawn) its written consent to the statements made by or based on statements made by or about it in this PDS in the form and context in which they appear. Ready Set Funds Management Pty Ltd has been involved in the preparation of this PDS.

Ready Set Apartments Pty Ltd has given (and has not before the issue of the PDS withdrawn) its written consent to the statements made by or based on statements made by or about it in this PDS in the form and context in which they appear. Ready Set Apartments Pty Ltd has been involved in the preparation of this PDS.

Sandhurst Trustees Limited has not withdrawn its consent to be named in this PDS as custodian of the Primary Investment Board in the form and context in which it is named. Sandhurst Trustees Limited does not make, or purport to make, any statement in this PDS which is based on any statement by Sandhurst Trustees Limited.

To the maximum extent permitted by law, Sandhurst Trustees Limited expressly disclaims and takes no responsibility for any part of this PDS other than the references to its name. Sandhurst Trustees Limited does not guarantee the repayment of capital or any particular rate of capital or income return.

Sandhurst Trustees Limited's role as custodian is limited to holding the assets of Class N.

Enhanced Disclosure

If there are more than 100 Investors in the Primary Investment Board, Units will be enhanced disclosure securities within Section 111AD of the Corporations Act, and Primary is subject to regular reporting and disclosure obligations. Documents lodged pursuant to these requirements may be obtained from, or inspected at, any office of ASIC.

Further, Primary will provide a copy of the most recent annual financial report of the Primary Investment Board lodged with ASIC by Primary, any half-year financial report of the Primary Investment Board lodged with ASIC after the lodgment of that annual financial report and before the date of this PDS, and any continuous disclosure notices given in relation to the Primary Investment Board after lodgment of that annual financial report and before the date of lodgment of the PDS free of charge as soon as practicable, and in any event within 5 days, after receiving the person's request, to any person who asks for it during the currency of the PDS.

International Application of this PDS

This PDS has been prepared to comply with the securities laws of Australia. The Offer is only available to persons receiving this PDS in Australia, New Zealand and (to the extent permitted) in any other jurisdiction.

Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF) Laws

Class N of Primary Investment Board must comply with anti-money laundering laws, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*, which requires Primary to have an AML/CTF Program and comply with a range of other requirements. Under Primary's AML/CTF Program and the AML/CTF Act, Primary is required to collect and verify certain identification information (Know Your Customer (**KYC Information**)) from all Class N Investors.

If you do not provide the KYC Information when requested, processing of applications or withdrawals may be delayed or refused. Primary may be required to disclose your personal information or your transactions to the Australian Transaction Reports and Analysis Centre (AUSTRAC). Under AML/CTF laws, Primary may be required to deny you (on a temporary or permanent basis) access to your Units. This could result in a loss of the capital invested, or you may experience significant delays when you wish to transact on your Units. Primary or the Investment Manager are not liable for any loss you may suffer as a result of compliance with AML/CTF laws.

US Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)

The Application Form includes a section on self-certification to comply with legislation which gives effect to the OECD Common Reporting Standard and the US legislation known as FATCA. If requested by Primary, the Class N Investor agrees, and it is a condition of the issue of the Class N Units, to provide certain information required by it or Sandhurst Trustees Limited in order to comply with any applicable law, including the ATO. The ATO shares this information with the competent authorities of other jurisdictions as a means of countering global tax evasion. For more information, refer to the ATO website: <http://www.ato.gov.au>.

Privacy Disclosure

Primary collects information about you in your Application Form for the purposes of processing your Application and, if Allotment is made, to administer your investment and to report to you. You agree, by submitting your Application Form, that Primary may disclose the information to any independent share registry, to any agents, contractors or service providers including banks and professional advisers.

The Corporations Act requires Primary to include information about you (including your name, address and details of the Units you hold) in the Register. The information contained in the Register must remain there even if you cease to be a Class N Investor.

We may use your contact details to let you know of future offers of Primary or the Investment Manager, but if you do not want to receive these, please contact Primary on (08) 9430 5262 or by email to registry@primarysecurities.com.au.

If you do not provide Primary with the information requested in the Application Form, your Application may not be processed. You have a right to seek access to the information Primary holds about you, and (in writing) to ask Primary to correct any information which is held about you and which you believe is inaccurate, incorrect or out of date.

General

This PDS for the Primary Investment Board contains information about investing in Class N of the Primary Investment Board. This PDS should be read in its entirety before any Application for Class N Units is made. Any person who provides any other person with access to the Application Form must at the same time and by the same means give that other person access to this PDS.

At any time prior to the expiry of this PDS, Primary, and any authorised representative acting on Primary's behalf, will send a paper copy of this PDS, including the Application Form, to any person on request, without charge. If you wish to receive a hard copy of this PDS please call Primary Securities Ltd on (08) 9430 5262 or go to the front page of Primary's website at <https://primarysecurities.com.au> and double click on Contact Us.

Registering as a client

If you decide that you wish to invest in this PDS, please complete and submit the Application Form found on the website of Primary Securities Ltd: <https://primarysecurities.com.au/application-forms/> or the Investment Manager: <http://readyset.fund>.

Primary has the right to accept or reject any Application in whole or in part in its absolute discretion.

The address provided on the Application Form must be the address of the Applicant and not the address or their advisor.

Application Forms, identification documents and Application Money need to be received by Primary 5 business days before the end of the month. This is to allow time for the investment to be made into the Main Fund in accordance with their disclosure documents.

Applications and Application Money received after this date will not be allotted until the following month.

Application Money

Payment of the Application Money is to be made to the following bank account:

Bank:	Westpac Banking Corporation
Account Name:	Primary Securities Ltd ARE PIB Class N Ready Set Short Term Rental Fund Application Account
BSB:	036-048
Account No.:	461468

15. Glossary of Terms

Allotment means the allotment of Class N Units in Primary Investment Board to Applicants in relation to Class N;

AML/CTF Law means *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* for the time being in force together with the rules and regulations made under that act;

Apartment Basics means the standardised crockery, cutlery, pots, pans, kitchen appliances, and other kitchenware and items with which the Residential Premises are equipped;

Applicant means any person who has completed and delivered to Primary or to a duly authorised lawful agent of Primary an Application and made payment or provided other consideration as required on the Application but who is not yet a Class N Investor;

Application means an application to become a Class N Investor using the Application Form that accompanies this PDS or is located on the website of the Trustee: <https://primarysecurities.com.au>;

Application Form means the application form in relation to this PDS on the website of the Trustee: <https://primarysecurities.com.au> or that accompanies this PDS;

Application Money means the Issue Price per Class N Unit payable by an Applicant with their Application;

ATO means Australian Taxation Office;

ASIC means the Australian Securities and Investments Commission established under the Australian Securities and Investments Commission Act 2001, or any delegate thereof;

Australia means the Commonwealth of Australia and includes all its territories;

Bank means whichever bank provides finance to the Main Fund with respect to any of the Residential Premises;

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria or Perth Western Australia;

Buyback Request means a buy back request made by a Class N Investor following a Withdrawal Offer;

CFO means chief financial officer;

CGT Capital Gains Tax;

Class means all assets and Income allocated to Class N of Primary Investment Board, in this case, Application Money after Allotment and other money dedicated for or deriving from investment in the Main Fund;

Class Asset means:

- (a) amounts representing the Application Money received from Class N Investors (following Allotment);
- (b) the investments acquired using the Application Money;
- (c) proceeds from the sale of any Class Assets;
- (d) all income, capital gains or other additions or accretions arising out of any Class Assets and not yet paid out or distributed by the Primary under the terms of the Constitution;
- (e) any money, units, shares, rights, investments and other assets allocated to Class N;
- (f) any reinvestments of any Class Assets and any amount standing in any bank account to the credit of Primary representing Class Income or being Class Income derived from the Class Assets received by or paid to Primary;
- (g) any contracts or rights entered into or acquired in relation to the Class;
- (h) where the context so admits, includes a proposed Class Asset and
- (i) any other money received or held by Primary in trust for each Investor of the Class.

Class Bank Account means the Bank account into which income of Class N is deposited and which is held by Primary on behalf of Class N.

Class Distributable Income means the amount to be distributed to Investors in accordance with the Constitution;

Class Gross Asset Value means the aggregate of the sum of the values of the Class Assets for the time being;

Class N means Class N in Primary Investment Board which will only invest in units in the Main Fund;

Class N Investor means the person (or in the case of joint Investors or successors or permitted assignees, each of those persons) who becomes an Investor in Class N of Primary Investment Board as a result of either:

- (a) the Allotment of Class N Units; or
- (b) the transmission, transfer, mortgage, assignment or other disposal of Class N Units pursuant to this Constitution and the provisions of the Corporations Act,

the expression **Class N Investors** means all the Investors of Class N;

and the expression **All Investors** means all Investors for the time being in Primary Investment Board;

Class N Unit means one of the equal undivided interests comprising an interest in Class Assets and income of Class N;

Class Liabilities at any time means:

- (a) all liabilities allocated to the Class or, where appropriate, a proper provision in accordance with accounting standards; plus
- (b) each other amount that the Responsible Entity determines should be taken into account in determining the Class Liabilities.

Class Net Asset Value means the Class Gross Asset Value less the aggregate of the amount of all Class Liabilities and (following a Distribution Calculation Date, the amount of any Class Distributable Income payable but not paid to Investors of the relevant Class on the day on which the Value of Units is determined);

Complainant means a person making a Complaint;

Complaint means any expression of dissatisfaction with the service offered or provided whether internal or external, and if external, whether by an Investor or otherwise;

Constitution means the Constitution for Primary Investment Board ARSN 618 038 323 dated 30 October 2018, as varied from time to time and registered with ASIC, described in Section 12: Details of the Material Agreements;

COO means chief operating officer;

Corporations Act means the Corporations Act 2001 of the Commonwealth of Australia and includes any rule, regulation, notice, order, policy or by-law made under that act;

Custodian means Sandhurst Trustees Limited (ABN 16 004 030 737);

Desk Top Valuations also known as Computer-Modelled Valuations mean valuations using excel to input property price growth corresponding to core logic or other property price data;

Distribution Calculation Date means the date on which a distribution for Class N Investors is made;

FATCA means The Foreign Account Tax Compliance Act and is United States (US) legislation aimed at improving compliance with US tax laws. FATCA imposes certain due diligence and reporting obligations on Australian financial institutions including the Trustee and those of other non-US countries, to report US citizen or US tax-resident Account Holders to the US Internal Revenue Service;

Financial Year means the period from 1st July (unless from the context the period must commence later by reason that it is the first such period) to 30th June inclusive in the next following year (unless from the context the period must conclude earlier by reason that it is the last such period);

Fixtures and Fittings means fixtures and fittings in or on the relevant Residential Premises or proposed for the relevant Residential Premises (but not Furniture or Apartment Basics);

Fund Assets means assets of the Main Fund;

Fund Liabilities means liabilities of the Main Fund;

Furniture means all chattels, moveables and other personal property in or on the relevant Residential Premises or proposed for the relevant Residential Premises (but not Fixtures and Fittings or Apartment Basics);

GAV or Gross Asset Value means the gross asset value of the Main Fund as most recently valued;

GST means goods and services tax imposed under A New Tax System (Goods and Services Tax) Act 1999 or other laws implementing the GST including all amendments;

Investment Manager means Ready Set Funds Management Pty Ltd (ACN 633 166 873) (the Investment Manager of the Main Fund);

Investor means Class N Investor;

Issue Price means the amount of \$1.00 per Unit;

KYC Information means the Know Your Customer Information that is the identification information required to be collected and verified from all Class N Investors.

Lease means any lease or licence granting a right to occupy any Residential Premises to Tenants from time to time whether oral, written or electronically and includes Short Term Rentals;

Loan Offset Account means a savings account with a lender in which instead of receiving interest on the savings account, the interest payment due on the loan is calculated only on the net balance of the loan minus the balance in the savings account.

Main Fund means the Ready Set Short Term Rental Fund;

Main Fund Unit Holder means a Unit Holder in the Main Fund. Primary will become a Main Fund Unit Holder on behalf of Class N Investors of Primary Investment Board in the Main Fund;

Minimum Investment means the sum of \$10,000 required for investment by a Class N Investor in relation to this Offer;

Minimum Subscription means the sum of \$50,000 to be received within 6 months of the date of this PDS before Primary will allot Units in Class N;

Net Trust Value or NTV means the GAV less the Liabilities of the Main Fund;

Offer means the offer of Class N Units of the registered managed investment scheme, Primary Investment Board, contemplated by virtue of this PDS;

PDS means this Product Disclosure Statement;

Primary means the responsible entity, Primary Securities Ltd ACN 089 812 635, AFSL No 224107;

Property Portfolio means all the Residential Premises of the Main Fund together with the relevant Furniture, Fixtures and Fittings and Apartment Basics;

Quarter means calendar quarter;

Quarterly Reports means the quarterly reports to be provided by the Investment Manager regarding the Main Fund to Primary which will also be provided to the Investors;

Ready Set means the group of companies including the Investment Manager and the Rental Manager who are part of the Ready Set group of companies;

Ready Set Short Term Rental Fund (or the Main Fund) means the wholesale managed investment scheme called Ready Set Short Term Rental Fund, being the only investment to be made by Primary on behalf of Class N Investors, and where the intention of the Ready Set Short Term Rental Fund is referred to, this means the intention of the Investment Manager of the Ready Set Short Term Rental Fund;

Register means the register of the Class N Investors or All the Investors in the Primary Investment Board (as the case requires);

Rental Manager means READY SET APARTMENTS PTY LTD ABN 89 221 620 30 ;

Rental Manager's Website means <https://www.readyset.melbourne;>

Residential Premises means the residential apartments in Australian cities which form part of the Assets of the Main Fund;

Responsible Entity means Primary Securities Ltd ACN 089 812 635, AFSL No 224107, the responsible entity of Primary Investment Board;

Sandhurst Trustees Limited means Sandhurst Trustees Limited (ABN 16 004 030 737), the custodian for Primary Investment Board.

Sharing economy refers to an economic system in which assets or services are shared between private individuals, either free or for a fee, typically by means of the internet;

Short Term Rental Portfolio includes the Residential Premises available for Short Term Rentals but also the properties of other entities for which the Rental Manager provides services similar to the Short Term Rental services to be provided to the Main Fund;

Short Term Rentals means for the letting of Residential Premises for accommodation purposes for periods of 90 days or less;

State means a State of Australia and also includes a Territory of Australia;

Tax Act means the *Income Tax Assessment Act, 1997*;

tax effective income means income may be accompanied by depreciation deductions which will result in a component of tax deferred income to Main Fund Unit Holders;

Tenant means the persons in possession or occupation of Residential Premises or any part of Residential Premises from time to time under any Lease;

Trustee means Primary Securities Ltd ACN 089 812 635, AFSL No 224107, in its capacity as trustee of the Main Fund;

Unit means one of the equal undivided interests comprising an interest in assets and income of Class N of the Primary Investment Board;

Unit Price means \$1.00 per Unit.

Withdrawal Offer means an offer made by the Investment Manager to the Main Fund Unit Holders in the Main Fund offering to allow Withdrawals;

Withdrawal Price means the Net Trust Value less Transaction Costs) divided by the number of Units on Issue in the Main Fund;

Withdrawal Request means a request by a Main Fund Unit Holder including Primary on behalf of the Class N Investors following a Withdrawal Offer or Main Fund Unit Holder Meeting at which the withdrawal of Units has been approved by the Main Fund Unit Holders.

Withdrawal Policy means the withdrawal policy of both the Main Fund and Class N;

Wholesale Client has the same meaning as in the Corporations Act.

16. Corporate Directory

RESPONSIBLE ENTITY - ISSUER OF THIS PDS

Primary Securities Ltd
 ABN 96 089 812 635
 Australian Financial Services Licence No 224107
 3 Shuffrey Street
 Fremantle WA 6160
 Phone: (08) 9430 5262
 Email: registry@primarysecurities.com.au
 Website: www.primarysecurities.com.au

DIRECTORS OF THE RESPONSIBLE ENTITY

David Butterfield (Chair)
 Robert Garton-Smith (Managing Director)
 Natasha Olsen

CUSTODIAN OF PRIMARY INVESTMENT BOARD

Sandhurst Trustees Limited

AUDITORS OF PRIMARY INVESTMENT BOARD

Butler Settineri (Audit) Pty Ltd

COMPLIANCE PLAN AUDITOR

Marius Van Der Merwe of
 Butler Settineri (Audit) Pty Ltd

INVESTMENT MANAGER

Ready Set Funds Management Pty Ltd
 ACN 633 166 873
 L2 / 696 Bourke Street
 Melbourne VIC 3000
 Email: fund@rsapt.com
 Telephone: +61 3 9021 2466

DIRECTORS/SECRETARY OF THE INVESTMENT MANAGER

Bruce Andrew Davey

RENTAL MANAGER

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 L2 / 696 Bourke Street
 Melbourne VIC 3000
 Rental Manager's Website: <https://www.readyset.melbourne>
 Email: fund@rsapt.com
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DIRECTORS/SECRETARY OF THE RENTAL MANAGER

Bruce Andrew Davey

FOR UPDATES, GO TO WWW.PRIMARYSECURITIES.COM.AU

For further copies of this PDS, call Primary Securities Ltd (Primary) on (08) 9430 5262.*