

RETAIL BOND

PRODUCT DISCLOSURE STATEMENT



Primary
Securities



AUSTRALIAN
INVESTMENT BOND



ISSUER AND RESPONSIBLE ENTITY

Primary Securities Ltd

ABN 96 089 812 635

AFSL No 224107

PRODUCT DISCLOSURE STATEMENT
for
CLASS GA UNITS OF PRIMARY INVESTMENT BOARD
ARSN 618 038 323
to enable retail investors to indirectly invest into the
AUSTRALIAN INVESTMENT BOND SERIES 1

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 www.primarysecurities.com.au for more information about Primary and its directors.
DATE OF THIS PDS	24 th August 2022

Refer to Benefits and Risks of the Investment on pages 14 to 16.

This investment is high risk.

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 GA 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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CONTENTS

1.	LETTER FROM THE MANAGING DIRECTOR	1
2.	INVESTMENT OVERVIEW	2
3.	KEY FEATURES	2
4.	BENCHMARKS	3
5.	AUSTRALIAN INVESTMENT BOND SERIES 1	6
6.	BENEFITS AND RISKS OF INVESTMENT	11
7.	FEES AND OTHER COSTS	14
8.	REDEMPTIONS & DISTRIBUTIONS	18
9.	THE RESPONSIBLE ENTITY AND CUSTODIAN	19
11.	OTHER MATTERS	21
12.	DISPUTE RESOLUTION AND COMPLAINTS	23
13.	DETAILS OF THE MATERIAL AGREEMENTS	24
14.	GLOSSARY OF TERMS	27
15.	CORPORATE DIRECTORY	31

This PDS is dated 24th August 2022. 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*.

1. LETTER FROM THE MANAGING DIRECTOR

Dear Investor,

The aim of Primary Investment Board is to enable retail investors to make investments that are normally not available to them because the investors have smaller amounts to invest or 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 will be a separate PDS for each Class and investment. The advantage of this structure is that the different classes are sharing the fixed costs of the managed investment scheme, such as the costs of audited financial statements and ASIC fees, and there is more efficient management of the scheme as a whole, making it possible to have a retail feeder facility for investments that otherwise could not afford such a facility.

This PDS is for investment into Class GA units for investment into the Australian Investment Bond Series 1 which is issued by SMATS Yield Investments Pty Ltd (ACN 624 084 466). That is, the **only** investment to be made for holders of Class GA Units by Primary Investment Board will be in the Australian Investment Bond Series 1.

SMATS Yield Investments Pty Ltd will issue Bonds to raise \$10,000,000. Funds raised from the Bonds will be used by the company to invest in credit investments within the Australian property market, mainly controlled by entities in the Griffin Projects Group (Griffin), with a small allocation to liquid investments.

The Bonds are secured by a general security agreement, with Primary Securities Ltd (the Responsible Entity under this PDS) being the security trustee.

The Australian Investment Bond Series 1 is available only to Wholesale Clients.

However, under this PDS, any person or entity may invest and the minimum investment is \$25,000.

In this PDS you will find more details about the Primary Investment Board, SMATS Yield Investments Pty Ltd and the Australian Investment Bond Series 1, and the benefits and risks of the investment.

Investors should read the whole of this PDS and then if you wish to invest, please complete the Application Form available on our website: <https://primarysecurities.com.au/application-forms/>

Refer to the investment considerations and risks that are set out in Section 7.

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.

Please also consider the Target Market Determination which accompanies this PDS.

Yours faithfully

Robert Garton Smith
Managing Director
Primary Securities Ltd

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 GA	Class GA of the Primary Investment Board will only invest in the Australian Investment Bond Series 1 issued by SMATS Yield Investments Pty Ltd.
OBJECTIVE	To obtain a fixed rate annual Coupon payment of 6.5% per annum through the Australian Investment Bond Series 1.
INCOME DISTRIBUTION	Quarterly For more information see Section 8.
REDEMPTION	There is no obligation on SMATS Yield Investments Pty Ltd to redeem Bonds before the Bond Term date has been reached. The directors of SMATS Yield Investments Pty Ltd will have discretion to redeem Bonds, upon receipt of an early redemption request from Bondholders providing at least 3 months' notice.
MINIMUM SUGGESTED TIME FRAME	The minimum suggested time frame for holding an investment under this PDS is for the term of the Bond issued by SMATS Yield Investments Pty Ltd. Bonds are due on 1 September 2024.

3. KEY FEATURES

RESPONSIBLE ENTITY AND ISSUER OF UNITS	The responsible entity and issuer of this investment is Primary Securities Ltd ABN 96 089 812 635, holder of Australian Financial Services Licence No 224107 (Primary).	Pages 8 and 22
PRIMARY'S ROLE	Primary's role is to represent investors, to carry out administration and investor services for Primary Investment Board, and to apply prudential principles.	Page 23
BENEFITS AND RISKS	There are benefits and risks associated with investment under this PDS. Risk level HIGH. Some of your money may be used for development loans secured by second mortgages. Investors risk losing some or all of their money.	Pages 14 to 16
MINIMUM INVESTMENT	\$25,000 and thereafter in \$10,000 parcels.	
REDEMPTION RIGHT	At the discretion of the Directors of SMATS Yield Investments Pty Ltd upon a minimum of 3 months' notice.	Benchmark 8 and Section 8

4. BENCHMARKS

THE FOLLOWING STATEMENTS ARE MADE IN ACCORDANCE WITH ASIC REGULATORY GUIDE 45# SO THAT INVESTORS CAN ASSESS THIS INVESTMENT AGAINST CERTAIN BENCHMARKS	
<p>1. Liquidity: ASIC wants disclosure in relation to the liquidity management of Class GA and the Australian Investment Bond Series 1.</p>	<p>Liquidity is the proportion of available cash to investment in the Australian Investment Bond Series 1 (which is not liquid).</p> <p>The Bond is a private agreement between the lender Bondholder and SMATS Yield Investments Pty Ltd. SMATS Yield Investments Pty Ltd does not intend to have the Bonds traded publicly, over-the-counter or privately. As such, the Bonds should be seen as illiquid for the Bond Term.</p> <p>Class GA will have limited liquidity. There should be quarterly income in the form of interest payments.</p> <p>SMATS Yield Investments Pty Ltd may hold cash reserves and ASX listed shares at various times during the Bond Term of up to 10% of the capital raised from the Bond issue. Cash and share reserves may increase above 10% of the capital raised from the Bond issue prior to a credit transaction being entered into.</p>
<p>2. Borrowing: ASIC wants disclosure in relation to SMATS Yield Investments Pty Ltd's borrowing proposals.</p>	<p>No Class of Primary Investment Board is able to borrow.</p> <p>SMATS Yield Investments Pty Ltd has no intention of borrowing.</p>
<p>3. Loan Portfolio and Diversification: ASIC wants disclosure in relation to the Australian Investment Bond Series 1's diversification.</p>	<p>SMATS Yield Investments Pty Ltd will be targeting loan advances of up to \$3,000,000 per loan.</p> <p><u>Development Land Funding</u> Between 10% and 50% of the capital raised from the Bond issue will be allocated for the purpose of lending to Griffin owned development entities which will use the funds to acquire development land.</p> <p><u>Completed & Existing Apartments</u> 20% to 55% (forecast to decreased to 20% at the end of 2023) of the capital raised from the Bond issue will be allocated to provide a mezzanine loan facility to a development entity called Umbrella Properties Pty Ltd (project name Code 23).</p> <p><u>Secured Private Lending</u> 20% to 50% (forecast to increase to 40% at the end of 2023) of the capital raised from the Bond issue will be invested in property development projects managed by Griffin.</p> <p><u>Liquidity Reserve</u> 0% to 15% of the capital raised from the Bond issue is intended to be invested in high yield ASX listed Exchange Traded Funds and/or top 50 ASX Shares. SMATS Yield Investments Pty Ltd may also hold cash reserves at various times during the Bond Term of up to 15% of the capital raised from the Bond issue.</p>

<p>4. Related party transactions: ASIC wants us to disclose whether the loan is to a related party.</p>	<p>No loans will be made by SMATS Yield Investments Pty Ltd to any entity related to Primary or its directors or to any company in the SMATS Group. SMATS Yield Investment Pty Ltd may invest in transactions with Australian companies and entities that are controlled by the shareholders, directors of the Shareholders and their related companies and key management of Griffin. Each transaction will be made on a commercial arm's length basis and consistent with prevailing market rates and generally acceptable terms. The majority of the board of SMATS Yield Investments Pty Ltd will be independent of Griffin or any other borrower, that is, one or more directors of SMATS Yield Investments Pty Ltd may be from Griffin but not the majority.</p> <p>Primary will oversee and approve each credit transaction.</p> <p>SMATS Yield Investments Pty Ltd will employ solicitors independent of Griffin or any other borrower to advise on each transaction as required.</p> <p>Primary is the security trustee under the terms of the Security Trust Deed.</p>
<p>5. Valuation Policy: ASIC asks that properties should be valued on an "as is" and "as if complete" basis, how often we propose to value and how recent a valuation has to be when a loan is made. ASIC also wants us to establish a panel of valuers.</p>	<p>This benchmark is complied with. SMATS Yield Investments Pty Ltd will obtain valuations from an independent valuer using a panel.</p>
<p>6. Lending Principles – Loan to Value Ratios: ASIC asks that we lend on an LVR of no more than 70% of latest "as if complete" valuation or 80% of the latest market valuation.</p>	<p>This principle has been complied with. The loan to Umbrella Properties Pty Ltd was a 2nd ranking mortgage with a combined LVR at loan drawdown of 88%. Following recent sales and reduction of the 1st mortgage, and recent sales evidence, the LVR has reduced below 80% at the date of issue of the PDS.</p>
<p>7. Distribution Practices: ASIC asks for disclosure in relation to the source of distributions and of forecast distributions, and prefers that distributions not be paid from the sums borrowed.</p>	<p>Distributions will be from Coupon payments.</p>
<p>8. Withdrawal Arrangements: ASIC asks for disclosure as to how and when Investors are permitted to withdraw their investment.</p>	<p>At the discretion of the Directors of SMATS Yield Investments Pty Ltd upon a minimum of 3 months' notice.</p>

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 GA units for investment into the Australian Investment Bond Series 1 which is issued by SMATS Yield Investments Pty Ltd. That is, the **only** investment to be made for holders of Class GA Units will be in units in the Australian Investment Bond Series 1.

Class GA investors do not directly hold the Bonds in the Australian Investment Bond Series 1. Class GA investors hold units in the Class GA of Primary Investment Board which invests in the Australian Investment Bond Series 1.

Who is this investment suitable for?

This investment may be inappropriate for investors:

- with limited income and assets;
- seeking capital growth and not income;
- who are risk averse or could not tolerate any capital loss;
- who are borrowing the whole or part of what they invest; and
- who require their investments to be liquid.

It may be appropriate for investors:

- with higher than average income or assets who are seeking an income stream for a term (or extended term) in the form of higher interest rates, and who can tolerate moderate to high level of risk of not achieving their financial goals (financial risk) to achieve those rates;
- who are investing only some of their capital for an income stream in the form of higher interest rates with the accompanying financial risks;
- who do not need liquidity and can wait for their investment term to mature;
- wanting an investment which is not correlated with share markets; and
- who are content for their money to be used for commercial loans with the risk of loss of some or all of the capital.

Investors should consider the Target Market Determination which accompanies this PDS.

This is only general advice. 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.

5. AUSTRALIAN INVESTMENT BOND SERIES 1

Overview

The Australian Investment Bond (the **Bond**) offers investors a fixed annual return of 6.5% paid quarterly to Bondholders.

SMATS Yield Investments Pty Ltd will issue Bonds to raise AU\$10,000,000 in the Australian Investment Bond Series 1 from wholesale or accredited investors. Funds raised from the Bonds will be used by SMATS Yield Investments Pty Ltd to invest in credit investments within the Australian property market, mainly controlled by entities in Griffin with a small allocation to liquid investments.

Bonds will offer a fixed rate annual Coupon payment to Bondholders of 6.5% paid quarterly in arrears.

The Bonds issue will only proceed once a minimum amount of \$1,000,000 is raised.

About the Issuer of the Bonds

SMATS Yield Investment Pty Ltd (ACN 624 084 466) (The Company) is the issuer of the Bonds. The Company anticipates providing loans mainly to entities controlled by Griffin. To ensure appropriate levels of independence are maintained, the majority of Directors of the Company are independent of Griffin. The Directors of SMATS Yield Investments Pty Ltd are Mr Steven Douglas and Ms Linda Lawrence (representing SMATS Services (Australia) Pty Ltd), and Mr Gregory Devine (representing Griffin Projects Group Pty Ltd) (Directors).

SMATS Yield Investments Pty Ltd Shareholders

The Directors formed SMATS Yield Investments Pty Ltd for the purpose of issuing the Bonds to raise capital. The capital raised is anticipated to be used by SMATS Yield Investments Pty Ltd to take up credit opportunities offered predominately by Griffin which will be overseen and managed by the Directors.

SMATS Services (Australia) Pty Ltd is a company within the SMATS Group of Companies. SMATS Group provides Australian taxation, finance, migration and property investment services to Australian expatriates, foreign investors and intended migrants with their client relationships extending through many countries in Asia and in every state within Australia.

Griffin Projects Group Pty Ltd is a company within Griffin. Griffin comprises a team of highly experienced professionals focused on asset and development management. Having completed or commenced in excess of 27 projects across Australia, Griffin has a track record in site selection, project management, project delivery and financial management.

About the Bonds

The Bond is a security that pays a known income (the **Coupon**) for a given period of time (the **Bond Term**) and repays the face value of the security at maturity.

Primary for Class GA will be the Bondholder and by investing in Class GA Units you are agreeing to indirectly lend money to SMATS Yield Investments Pty Ltd. The amount lent is called the principal and is equal to the total amount Class GA invests in the Bond. Under the terms of the Bond, SMATS Yield Investments Pty Ltd is contractually obliged to pay annual fixed interest payments during the Bond Term and repay the Bondholders principal at maturity. If an interest payment or principal repayment is not made on time, then SMATS Yield

Bond Features	
Structure	Bond issued by SMATS Yield Investments Pty Ltd (ACN 624 084 466)
Coupon	Fixed rate coupon payment of 6.5% per annum
Coupon Payment Dates	31st March, 30th June, 30th September & 31st December (or the following business day if a weekend or holiday)
Bond Term	4 Years from the date of issue (1st September 2020)
Security	Bonds are secured obligations of the Issuer that rank before ordinary creditors and shareholders
Coupon Payments	Paid quarterly in arrears
Bond Holders Fees	Nil
Early Redemptions	Based on Director discretion and no fee payable
Eligibility	Accredited /Wholesale Investors only
Bond Face Value	AU\$10,000
Minimum Investment	AU\$50,000
Maximum Bond Issue	AU\$10,000,000
Minimum Bond Issue	AU\$1,000,000

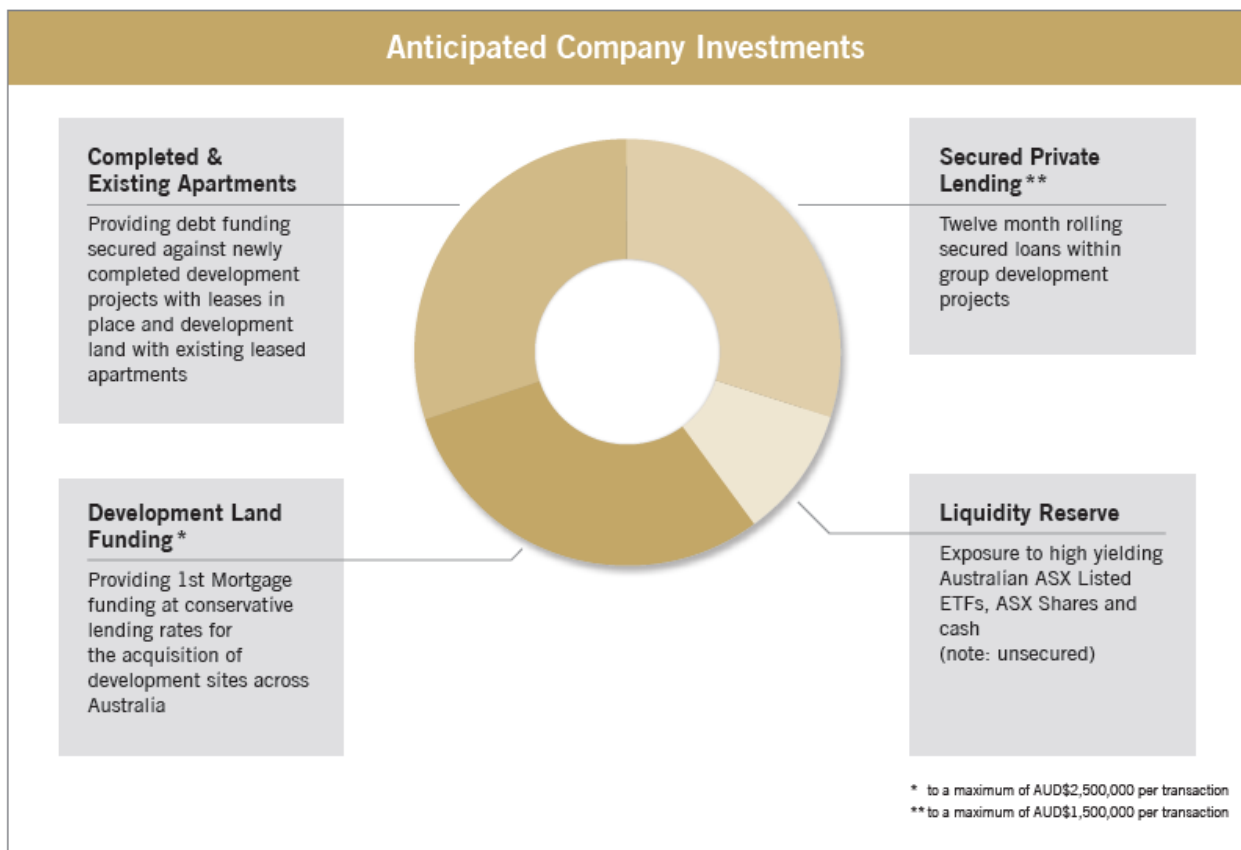
Investments Pty Ltd will be in default. Bondholders are secured creditors and will rank ahead of shareholders if an insolvency event occurs.

Each Bond will have a face value of \$10,000 and will be unrated and non-tradable. The Bond will pay a fixed rate Coupon payment to investors of 6.5% per annum on a quarterly basis for the Bond Term.

Bondholder Coupon payments will be based on the full investment amount. Bondholders will not incur any fees or buy / sell spreads on investment, during the Bond Term or if an early redemption request is approved.

The Investment Portfolio

SMATS Yield Investments Pty Ltd will use funds raised from the Bondholders to invest in a diversified portfolio of mainly secured Australian credit opportunities and property transactions predominately within Griffin. The following diagram titled Anticipated Company Investments further outlines the portfolio.



Target Company Portfolio Allocation

Development Land Funding	10%–50%
Completed & Existing Apartments*	20%–55%
Secured Private Lending	20%–50%
Liquidity Reserve**	0%–15%

* Allocations to newly completed and existing apartments expected to reduce over the 4 year bond term with development land funding and secured private lending expected to increase over the bond term.

** Prior to a transaction occurring cash reserves held may increase above the 15% and will reduce within range once the loan funds have been allocated.

DISCLAIMER: The anticipated investments can differ from the actual investments at any given time and the chart is for illustration purposes only.

To date, these types of opportunities have generally been accessed by Australian banks and institutions. The majority of transactions anticipated by SMATS Yield Investments Pty Ltd are controlled by the shareholders, Directors or key management of Griffin or SMATS.

Completed & Existing Apartments

SMATS Yield Investments Pty Ltd intends to allocate 30% (forecast to decrease to 20% at the end of 2023) of the capital raised from the Bond issue to provide a mezzanine loan facility to a development entity called Umbrella Properties Pty Ltd (project name Code 23). The mezzanine loan facility will see the expected loan to value ratio increase to approximately 88% based on the "as is" value.

The development company completed a 33 unit complex in Beckenham, Western Australia in February 2019. The building consists of 1, 2 and 3 bedroom apartments. The building is located 500m from the Beckenham train station, 2km from Westfield Cannington and 5km from Curtin University. Demand by rental tenants to live in the apartments has been very strong as evidenced by all available apartments for lease now being tenanted.

The development company currently owns 26 of the 33 units in the complex. Each of these apartments has been leased out to tenants which provides a monthly income stream to the development company. SMATS Yield Investments Pty Ltd has received modelling from the developer that outlines its plan to sell down the remaining apartments within the next 4 years to enable it to fully repay SMATS Yield Investments Pty Ltd mezzanine loan. SMATS Yield Investments Pty Ltd will take an unregistered 2nd mortgage mezzanine position behind a 1st mortgage lender. SMATS Yield Investments Pty Ltd will be paid 6.5% p.a. interest monthly in arrears and receive deferred bonus interest of an additional 2% p.a. It is forecast that deferred bonus interest will be paid from 2022 onwards. It is also forecast that \$1,000,000 of the facility will be repaid at the end of 2023 enabling SMATS Yield Investments Pty Ltd to redeploy these funds for Secured Private Lending.

SMATS Yield Investments Pty Ltd may also make small discretionary loans on completed apartments or housing stock where it is deemed to be prudent and beneficial to do so. Such loans will not exceed \$500,000 in total.

Development Land Funding

SMATS Yield Investments Pty Ltd will allocate between 10% and 50% of the capital raised from the Bond issue for the purpose of lending to Griffin owned development entities which will use the funds to acquire development land.

Griffin typically sets up a Special Purpose Vehicle (SPV) entity to acquire land for development purposes. Any proposed purchase of development land will be documented in a contract of sale and subject to due diligence.

The majority of Griffin's development land acquisitions are purchased with a combination of equity and debt. The SPV entity typically borrows up to 65% of the value of the land from an external institutional or private lender under a debt facility on agreed terms, which includes providing a 1st mortgage to the lender. The balance of the funds required by the SPV to acquire the development land is from equity investors and private lenders to the SPV.

It is expected that SMATS Yield Investments Pty Ltd will provide funding for up to two development land loan transactions per year. The following are the general criteria that SMATS Yield Investments Pty Ltd will apply to any loans provided to Griffin for development land acquisition.

Development Land Funding	
Loan Amount:	Up to \$2,500,000 per loan
Loan to Value Ratio (LVR):	Up to 65% of the independent valuation of the land
Security:	1st registered mortgage over the land & charge over the borrower
Establishment Fee:	1.5% of the loan amount paid on drawdown
Loan Interest:	Up to 8% p.a. paid monthly in arrears
Loan Term:	Up to 24 months with capital repaid at maturity

Secured Private Lending

SMATS Yield Investments Pty Ltd intends to allocate 20% to 30% (forecast to increase to 40% at the end of 2023) of the capital raised from the Bond issue to invest in the property development projects managed by Griffin. An SPV entity will be established for each development project and additional

funds will be raised via the Information Memorandum that invites wholesale and accredited investors to provide private loans to the project.

The funds raised will be used to help fund the building of the dwellings on the land purchased by the SPV for development. The raising of funds from wholesale and accredited investors is issued under the SMATS Consortium Pty Ltd wholesale Australian Financial Services Licence.

SMATS Yield Investments Pty Ltd intends to subscribe for loans which will be provided to the development SPV. The funds will be secured by a registered 2nd mortgage over the development land approved by the Security Trustee. The funds will be lent for a 12-month term at 10% p.a. with interest paid quarterly in arrears.

Liquidity Reserve

SMATS Yield Investments Pty Ltd intends to allocate up to 10% of the capital raised from the Bond issue to invest in high yield ASX listed Exchange Traded Funds (ETFs) and top 50 ASX Shares. The aim of the ETF and Shares allocation is to generate regular yields in excess of 5% per annum, in an efficient and low-cost way, to access a diversified basket of leading companies in Australian and around/or the world in a highly liquid environment. SMATS Yield Investments Pty Ltd has estimated an annual cost of approximately \$500 to manage and trade the ETF and Shares portfolio. SMATS Yield Investments Pty Ltd may also hold cash reserves at various times during the Bond Term of up to 10% of the capital raised from the Bond issue.

Bondholder Security

The Bonds are secured by a General Security Deed, overseen by the Security Trustee, that ranks before shareholders.

There will be no other securities entered into. Shareholders will only receive dividends from SMATS Yield Investments Pty Ltd following the payment of the fixed Coupon to Bondholders, and in the final year of the Bond Term, after the repayment of the Coupon and the Bond capital.

Security Trustee

Primary Securities Ltd has been appointed as Security Trustee to act on behalf of Bondholders in the event of default by SMATS Yield Investments Pty Ltd. The Security Trustee represents all Bondholders who are the beneficiaries of the Security Trust. This enables Bondholders to have a single company to represent their interests and act on their instructions should a default occur.

General Security Deed

Primary Securities Ltd, in its capacity as Security Trustee, has entered into a General Security Deed with SMATS Yield Investments Pty Ltd. This deed provides the Security Trustee with a registered charge over SMATS Yield Investments Pty Ltd. The charge will be registered on the Australian Personal Property Securities Register (PPSR) which is an official government register of personal interests. The Security Trustee will hold the registered security over SMATS Yield Investments Pty Ltd on behalf of all Bondholders giving the Security Trustee broad powers to act in the event of default.

Transactional Oversight

Primary Securities Ltd, in its capacity as Security Trustee, will engage an external debt specialist company to oversee the proposed lending transactions of SMATS Yield Investments Pty Ltd to ensure they are within the mandate of SMATS Yield Investments Pty Ltd as outlined in the Information Memorandum and are considered prudent. SMATS Yield Investments Pty Ltd will provide all necessary due diligence material on a potential transaction to Primary Securities Ltd and the external debt specialist group (which also consults to Griffin), Winrome Capital Pty Ltd, to enable a thorough assessment of the transaction to occur. A report will be provided to the Security Trustee and SMATS Yield Investments Pty Ltd which may result in the transaction not proceeding, changes being made to the transaction or the transaction proceeding without change.

Investment Committee

SMATS Yield Investments Pty Ltd has an Investment Committee made up of the Directors of SMATS Yield Investments Pty Ltd, Stephen Smith, a consultant to Griffin, Ravin Chatlani, a Director of SMATS Services Pte Ltd and David Hayes, an officer of SMATS Services Pte Ltd. Hence the majority of the members of the Investment Committee are officers of SMATS Services (Australia) Pty Ltd or related

party companies to SMATS Services (Australia) Pty Ltd. David Hayes is chairman of the Investment Committee which formerly meets on a quarterly basis.

The Investment Committee's role is to select high-quality credit investments that offer the highest level of security possible within the capital and security structure of the specific transaction. The Investment Committee ensures the transactions of SMATS Yield Investments Pty Ltd y are within the investment mandate outlined in the Information Memorandum and represented in the table on page 10 entitled Target Company Portfolio Allocation. All investments will be actively managed and monitored on an arm's length basis with binding loan agreements enabling enforcement of securities should an adverse lending situation occur.

Bond Liquidity

The Bond is a private agreement between the borrower (Bondholder) and SMATS Yield Investments Pty Ltd. SMATS Yield Investments Pty Ltd does not intend to have the Bonds traded publicly, over-the-counter or privately. As such, the Bond should be seen as illiquid for the Bond Term.

Whilst SMATS Yield Investments Pty Ltd has no obligation to redeem Bonds before the Bond Term date has been reached, the Directors will have discretion to redeem Bonds. Bondholders must provide at least 3 months' notice for any early redemption request. Should a notice for redemption be accepted by the Directors, a Bondholder will be paid any accrued (but unpaid) Coupon interest that has accumulated up until the date a notice of redemption is received. After the date a notice of redemption is received, a Bondholder will no longer be entitled to Coupon interest up to and including the final date the Bond capital is repaid.

SMATS Yield Investments Pty Ltd reserves the right to issue new Bonds during the Bond Term to maintain a total of \$10,000,000 in Bonds on issue if it is deemed in the best interests of SMATS Yield Investments Pty Ltd to do so.

Taxation Matters

SMATS Yield Investments Pty Ltd is an Australian resident company for Australian tax purposes. Coupon payments made to Bondholder's are likely to be treated as assessable income to Australian resident taxpayers in the year the Coupon is paid.

For non-resident Bondholders, SMATS Yield Investments Pty Ltd is likely to have an obligation to withhold tax at 10% from all Coupon payments.

At maturity, the principal of Bondholders will be repaid by SMATS Yield Investments Pty Ltd, which is unlikely to incur any tax obligations.

Management of Conflicts

From the capital raised by the Issue of Bonds, the Company may lend to entities that are controlled by Griffin shareholders and directors of entities in Griffin.

Conflicts are managed by the following methods:

- the majority of members of the Investment Committee and members of the board of SMATS Yield Investments Pty Ltd are not officers of Griffin;
- Primary Securities Ltd will oversee and approve each credit transaction;
- solicitors independent of Griffin will advise on each transaction as required;
- In the event of default, Primary Securities Ltd will act as the security trustee.

6. BENEFITS AND RISKS OF INVESTMENT

BENEFITS:

Benefit of professional managers

You will obtain the benefit of the industry experience of SMATS Group and Griffin

Opportunities to invest are more likely to be given to investment professionals than to individuals making their own investment decisions.

You may invest if you are a retail investor. The minimum investment under this PDS is \$25,000.

RISKS:

There are two key risks when investing in the Bonds of the SMATS Yield Investments Pty Ltd. These are credit risk and company investment risk which are outlined below in addition to currency risk and general risks.

Credit risk:

The risk that the Issuer of the Bonds may be unable to meet the interest or capital repayments on the Bond when they fall due. Generally, the higher the credit risk of the Issuer of the Bonds, the higher the interest rate that investors will expect in order to risk lending the funds to the Issuer of the Bonds.

Risk Management for Credit Risk:

SMATS Yield Investments Pty Ltd will not be rated as a bond issuer. SMATS Yield Investments Pty Ltd is an SPV with its assets being the underlying investments most of which are secured credit investments. SMATS Yield Investments Pty Ltd will not enter any debt facility or debt arrangement or pledge the assets of SMATS Yield Investments Pty Ltd in any way. As stated above, SMATS Yield Investments Pty Ltd has entered a General Security Deed with the Security Trustee. SMATS Yield Investments Pty Ltd will only issue \$10,000,000 Bonds under the Information Memorandum at any one time. Applications will be received on a 'first come' basis. Should applications be received for greater than \$10,000,000 the final application will be scaled back.

First Loss Reserve:

The Directors of SMATS Yield Investments Pty Ltd will not issue a dividend or make any distribution to shareholders in any year until the fixed rate Coupon has been paid to Bondholders. The Directors of SMATS Yield Investments Pty Ltd intend to retain 25% of SMATS Yield Investments Pty Ltd post tax profit within SMATS Yield Investments Pty Ltd during the Bond Term to provide additional cash reserves to meet any unexpected shortfalls in annual fixed Coupon payments and repayment of the Bond capital at the conclusion of the bond term.

Underlying Investment Risk:

The capital raised from the Bond Issue will be used to invest in credit transactions only accessible through the network and transactions of Griffin related companies with a small allocation to liquid investments.

The vast majority of investments by SMATS Yield Investments Pty Ltd will be in secured credit positions offering fixed returns and fees. There is the risk that these underlying investments of SMATS Yield Investments Pty Ltd do not perform as expected or are unable to meet their interest and loan repayment commitments under the loan deeds. This in turn may impact SMATS Yield Investments Pty Ltd's ability to meet Coupon obligations and repayment of the Bond capital at the end of the Bond Term.

Risk Management for Underlying Investment Risk:

The underlying investments of SMATS Yield Investments Pty Ltd may be related party transactions of Griffin. The Directors of SMATS Yield Investments Pty Ltd believe this will enable early warning of issues

with the underlying investments and greater opportunity to rectify any adverse lending situation. The investments will be entered into under a legally binding loan agreements secured against the asset(s) of the borrowing entity. All investments will be actively managed and monitored on an arm's length basis and should an adverse lending situation occur the Directors of SMATS Yield Investments Pty Ltd will enforce all rights under the loan agreement if a suitable repayment position cannot be arrived at.

COVID 19 and other General Risks:

The impact of the COVID-19 virus and the war between Russia and Ukraine on the world economy may impact SMATS Yield Investments Pty Ltd in unexpected ways and impact returns negatively. Movements in interest rates, inflation and foreign exchange rates may impact your returns and the performance of SMATS Yield Investments Pty Ltd. Financial markets and property markets may experience specific factors that impact the performance of SMATS Yield Investments Pty Ltd and the underlying investments. Changes in legislation, taxation and government policy may adversely affect SMATS Yield Investments Pty Ltd.

Currency Risks:

The Bonds will be issued in Australian dollars. Investors are solely responsible for any costs and fees incurred in transferring foreign currency to Australian dollars. At the conclusion of the Bond Term, the Bondholders will be repaid in Australian dollars and may incur gains or losses on the foreign currency transaction. Any fees or costs incurred on transferring funds to the Bondholder at will be incurred by the Bondholder. The Bonds will not be hedged.

Investment Speculative

An investment in the Class GA of the Primary Investment Board and hence in the Australian Investment Bond Series 1 is speculative. The Units to be issued pursuant to this Product Disclosure Statement carry no guarantee with respect to the payment of Coupons or the return of capital. Accordingly, you risk losing some or all of your investment in Class GA of the Primary Investment Board and Australian Investment Bond Series 1. You should consult your professional advisers before deciding whether to apply for Units pursuant to this Product Disclosure Statement.

Liquidity

An investment in the Units is illiquid. Although a Notice of Redemption may be lodged in accordance with the Trust's Redemption Policy redemptions may be suspended at any time by Primary Securities Ltd and at the discretion of the directors of SMATS Yield Investments Pty Ltd. There is also no established secondary market in which to sell your Units. This lack of investment liquidity could have an adverse impact on an Investor's ability to realise their investment if redemptions are suspended by Primary Securities Ltd or the Directors of SMATS Yield Investments Pty Ltd do not grant a redemption. A transfer of Units may involve costs as well as possible tax implications.

Redemption and Distributions

Our ability to redeem Units and pay Distributions will be subject to a number of factors, including:

- The discretionary approval of the Directors of SMATS Yield Investments Pty Ltd to an early redemption
- The performance and payment of interest by Borrower Groups.
- The repayment of loan advances in a timely fashion.
- The liquidity position and cash flow of the Australian Investment Bond Series 1.
- Compliance with the requirements of the relevant taxation and corporations' legislation.

Note: The payment of Distributions and the return of capital are not guaranteed.

Taxation

If the taxation treatment of Units in Class GA of Primary Investment Board or of Australian Investment Bond Series 1 were to change, then it may impact on the profitability of your investment and on

Primary and Australian Investment Bond Series 1's ability to pay Distributions or redeem Units.

General Risks

General risks which may affect the performance or value of an investment in the Trust 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 Trust's assets, ability to pay Distributions and to fulfil Redemptions.
- Changes in Government, monetary, interest rate or other contractionary economic policies, taxation and other laws.
- Natural or manmade disasters and acts of terrorism.
- An increase in competition within the market.
- International conflict.

Please note that there may also be other risk factors in addition to the ones above.

Important Disclosures

There is no obligation of SMATS Yield Investments Pty Ltd or its Directors to purchase or redeem the Bonds prior to the end of the Bond Term.

The Directors and the key management of companies related to SMATS Services (Australia) Pty Ltd or Griffin may acquire Bonds on the same terms as all Bondholders.

7. 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 investment 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 fees. 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**) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Fees and Costs of the Class (including Australian Investment Bond Series 1)

This Section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs summary

Class GA Units of Primary Investment Board – Australian Investment Bond Series 1		
Type of fee or cost	Amount	How and when paid
Investor activity related fees and costs (fees for services or when your money moves in or out of the product), namely Primary Investment Board		
Establishment Fee: (The fee to open your investment)	Nil	Not applicable
Contribution Fee: (The fee on each amount contributed to your investment)	Nil	Not applicable
Withdrawal Fee: (The fee on each amount you take out of your investment.)	Nil	Not applicable
Termination Fee: (The fee to close your investment)	Nil	Not applicable
Investment switching fee: (the fee for changing investment options)	Not applicable	Not applicable
Transfer Fee: (the fee for transfers or transmissions)	Primary charges \$110 incl GST	By you when you transfer

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs: (The fees and costs for managing your investment in Primary Investment Board – Class GA).	Primary charges a responsible entity fee of the greater of \$3,080 incl GST or 0.385% incl GST of the gross value of your investment per annum. ¹ Primary charges an out-of-pocket fee of the greater of \$1,320 incl GST or 0.165% incl GST of the gross value of your investment per annum. ²	Payable out of distributions.
Management fees and costs: (the fees for registry)	See Additional Explanation of Fees and Costs below.	
Management fees and costs: (the costs associated with professional indemnity insurance)	See Additional Explanation of Fees and Costs below.	
Management fees and costs: (the fees associated with the Custodian)	See Additional Explanation of Fees and Costs below.	
Management fees and costs (the fees and costs for managing Class GA's investment in the Australian Investment Bond Series 1)	See Benefit to SMATS Yield Investments Pty Ltd below.	
Performance Fee ¹ (Amounts deducted from your investment in relation to the performance of the Australian Investment Bond Series 1)	Nil.	Not applicable.

Fees & Costs Example

Should \$500,000 be issued in Class GA units, which is subsequently invested in SMATS Yield Investments Pty Ltd Bonds, Class GA will incur \$4,400 inclusive of GST in fees and costs. This would reduce the annual return payable from the SMATS Yield Investments Pty Ltd Bond from 6.5% to a net payment to Class GA unitholders to 5.62%.

Additional Explanation of Fees and Costs

SMATS Yield will pay to Primary an establishment fee of \$16,500 (inc GST) for the establishment of Class GA.

¹ with an additional amount of up to \$6,160 being payable by SMATS Yield Investments Pty Ltd or Griffin Projects Group Pty Ltd. See Additional Explanation of Fees and Costs below.

² with an additional amount of up to \$2,640 being payable by SMATS Yield Investments Pty Ltd or Griffin Projects Group Pty Ltd. See Additional Explanation of Fees and Costs below.

The following ongoing fees and costs are paid to Primary by SMATS Yield Investments Pty Ltd and / or Griffin Projects Group Pty Ltd:

- A Responsible Entity Fee of \$6,160 incl GST per annum until FUM exceeds \$2,400,000.
- An Out-of-pocket Fee of \$2,640 incl GST per annum until FUM exceeds \$2,400,000.
- A registry services fee of \$3,300 incl GST per annum.
- a PI insurance fee of \$330 incl GST per month until 30 April 2023. Thereafter Primary charges a PI insurance fee of whatever sum Primary reasonably considers to be a fair proportion for the total premium payable by Primary subject to a minimum monthly fee of \$330 incl GST.
- an annual fee of \$4,400 incl GST for the Custodian
- reimbursement of any transaction costs including costs such as sub custodian fees, bank and government charges, bank fees, internet banking establishment fees and any additional services fees claimed by the Custodian.

Until Allotment, Primary is entitled to any interest earned on the Application Money (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.

Benefit to SMATS Yield Investments Pty Ltd

Any return on investments made by SMATS above 6.5% per annum (being the yield SMATS Yield Investments Pty Ltd is contractually obliged to pay in relation to the Bonds) will be retained by SMATS Yield Investments Pty Ltd.

Required Example of Annual Fees and Costs

EXAMPLE - Class GA of Primary Investment Board – Australian Investment Bond Series 1		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$10,000 DURING THE YEAR*		
Contribution fees	\$0	For every additional \$10,000 you put in, you will be charged \$0.
PLUS Management fees**	Responsible Entity Fee – PIB Class GA \$77 - \$770 Out of pocket expenses – PIB Class GA \$33 - \$330	AND , for every \$50,000 you have in Class GA of Primary Investment Board you will be charged or have deducted from your investment between \$110.00 and \$1,100.00 each year
PLUS Performance fees	\$0	AND , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	\$0	AND , you will be charged or have deducted from your investment \$0 in transaction costs

EQUALS Cost of Class GA of Primary Investment Board		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$10,000 during that year, you would be charged fees and costs of between:</p> <p style="text-align: center;">\$110.00 and \$1,100.00</p> <p>ASIC requires that we state that what it costs you will depend on the fees you negotiate. However, you should be aware that the fees set out in this PDS are not negotiable.</p>
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*This example is based on the assumption of Class GA making up 10% of the total Bond issue. Per the Australian Investment Bond Information Memorandum, the maximum Bond issue will be \$10,000,000. For the purposes of this fee example, that equates to Class FUM of between \$200,000 and \$2,000,000.

**This example shows fees and costs to be deducted from the coupon interest received by Class GA. The revenue retained by SMATS yield above the 6.5% per annum interest payments is dependent on investment returns made by SMATS Yield Investments Pty Ltd in the Australian Property Market.

8. REDEMPTIONS & DISTRIBUTIONS

Redemption rights

The investment in Class GA should be considered as illiquid during the Bond term. Redemptions from the Australian Investment Bond Series 1 are at the discretion of the Directors of SMATS Yield Investments Pty Ltd and only after a Bondholder has given 3 months notice of the intention to redeem.

Upon receipt of a redemption request from a Class GA Investor, Primary will then give notice to SMATS Yield Investments Pty Ltd as to the total amount required to be redeemed from Australian Investment Bond Series 1.

If the redemption is approved by SMATS Yield Investments Pty Ltd, they will process the redemption within 30 days after the 3 month's notice period and then, after Primary has received the redemptions from Australian Investment Bond Series 1, Primary will process the redemptions for Class GA in Primary Investment Board.

SMATS Yield Investments Pty Ltd reserves the right to redeem Units on a pro rata basis in the event that there are more redemptions than available liquid funds at the relevant time.

Primary reserves the right to suspend redemptions if SMATS Yield Investments Pty Ltd becomes illiquid.

Distributions

Under the Australian Investment Bond Series 1, there are quarterly distributions.

Primary will distribute all income and capital gains immediately after receipt from SMATS Yield Investments Pty Ltd.

Income Tax

Class GA of the Primary Investment Board is or will be an Attribution Managed Investment Scheme. This means that Investors will pay tax on any income attributed to the Investor. As the investment by Primary Investment Board in the Australian Investment Bond Series 1 is loan-type, income will be treated as interest rather than as a trust distribution.

Primary will provide Investors with a tax summary as at 30 June of income and capital gains during the previous Financial Year. Investors can expect to be assessed for tax on this income and capital gains.

This taxation information is of a general nature only. Investors should seek their own advice in relation to their own circumstances.

9. 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 of Primary Investment Board.

Further information regarding Primary is available by looking at its website: www.primarysecurities.com.au.

PRIMARY'S DIRECTORS

TONI SMITH

Chair of Primary

Toni Smith is manager of the Willmott Forests 1995-1999 Project. She has worked in the agricultural sector for over 20 years, having lead several productive agricultural projects including forestry, broadacre cropping and livestock production.

Toni has extensive skills across rural land acquisition and financial management as well as practical farm and plantation management capabilities which ensure the performance of operations. Toni is passionate about regenerative agriculture, low-cost production, and food security solutions.

Toni has formal qualifications in accounting and safety and environmental management and sits on several other company boards related to agriculture. Toni and her husband also have their own property in Northern NSW, where they breed Angus cattle and Dorper sheep.

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 preparing Australia's first feature film prospectus in 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 and assists in the day to day management of the company.

PRIMARY'S ROLE

Primary sees its duty as being to administer the investment into the Australian Investment Bond Series 1, and to take whatever measures a prudent investor would take in relation to investment in the Australian Investment Bond Series 1.

CUSTODIAN

Assets of Class GA 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 Primary Investment Board.

11. OTHER MATTERS

Financial Statements

Primary will make available on its website www.primarysecurities.com.au the annual or semi-annual financial statements of Primary Investment Board, being a consolidation of the investments of all Classes.

Register

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

Labour, Environmental, Social and Ethical Standards

Primary does not take into account any labour, environmental or ethical standards when investing in the Australian Investment Bond Series 1.

Cooling off Right

Investors have a 14 day cooling off period during which they may request a return of their money. If you choose to exercise this right, you will be entitled to a refund based on the Unit Price at the end of the month following the request.

Responsibilities and Consents

Dry Kirkness (Audit) Pty Ltd has given its consent to be named as the auditor of the Primary Investment Board. Marius Van Der Merwe of Dry Kirkness (Audit) Pty Ltd, the compliance plan auditor, has given his consent to be named as the compliance plan auditor of the Primary Investment Board. Dry Kirkness (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.

SMATS Yield Investments Pty Ltd has given its consent to be named as the Issuer of the Bonds and to the inclusion of statements made by or based on statements made by or express or implied references to statements made by it being included in the PDS in the form and context in which they appear.

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 GA as distinct from the assets of the Australian Investment Bond Series 1.

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

AML/CTF law

Class GA 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 GA Investors.

If you do not provide the KYC Information when requested, processing of applications or redemptions 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.

FATCA and 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 GA Investor agrees, and it is a condition of the issue of the Class GA 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 the Primary to include information about you (including 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 GA Investor.

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 Primary Investment Board contains information about investing in Class GA of Primary Investment Board. This PDS should be read in its entirety before any Application 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 www.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/>

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 of their advisor.

Application Forms, identification documents and Application Money need to be received by Primary 5 business days before the end of the month.

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 GA (SMATS Yield Bonds) Application Account
BSB: 036-306
Account No.: 593413

12. DISPUTE RESOLUTION AND COMPLAINTS

Primary will deal with any Complaint in accordance with s912A(2) of the Corporations Act.

Primary has appointed Ms Anna Catelli as its Complaints Officer. If you have a Complaint, please contact the Complaints Officer:

Phone: +61 8 9430 5262
 Email: complaints@primarysecurities.com.au
 Post: PO BOX 732, Fremantle WA 6959
 In Person: 3 Shuffrey Street, Fremantle WA 6160

A copy of the Complaints handling procedure is available on request free of charge. A summary is available on Primary's website:

www.primarysecurities.com.au/about-us/about-primary/complaints-procedure/

If after contacting Primary regarding your Complaint your Complaint is not resolved to your satisfaction then you may access the external dispute resolution service known as the Australian Financial Complaints Authority (**AFCA**) which Primary is a member.

AFCA may be contacted:

- by phone on 1300 931 678 (or whichever number is for the time being applicable);
- by email to info@afca.org.au (or whichever email address is for the time being applicable);
- by writing to GPO Box 3, Melbourne, VIC 3001 (or whichever address is for the time being applicable).

ASIC has a Freecall Infoline 1300 300 630 (or such other number as is being used for the time being) which the Complainant may use to make a Complaint and obtain information.

13. DETAILS OF THE MATERIAL AGREEMENTS

The Material Agreements

1. Constitution for Primary Investment Board:

On your Application to become an Investor being accepted by Primary by you being allotted one or more 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 14. 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 Units pursuant to this PDS; or
- (b) any person who takes Class Units by transmission, transfer, mortgage, assignment or other disposal in this Class;

will be Investors in this Class.

Issue Price

The Issue Price for Units in this Class is \$1.00 per Unit and remains at \$1.00 per Unit until otherwise decided by Primary.

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 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 the Class 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 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 without meeting by the required majority of Investors or All Investors (as the case requires) signing the resolution.

Notices

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

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 the Class 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 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. Deed of Co-operation

The Deed of Co-operation entered into between Primary, Griffin Projects Pty Ltd and SMATS Yield Investments Pty Ltd which permits Primary to quote from the Information Memorandum and all parties agree to cooperate in relation to requests of Primary.

3. Bond Agreement

The Bond Agreement is the agreement between Bondholders and SMATS Yield Investments Pty Ltd pursuant to which Bonds are issued and the Security Trustee is appointed as the agent of the Bond Holder under the General Security Deed and the Security Trust Deed.

4. **Security Trust Deed**

The Security Trust Deed is the agreement between SMATS Yield Investments Pty Ltd and Primary pursuant to which Primary agrees to act as trustee for Bondholders in relation to the repayment of both the Coupon and the Bond Face Value acting on the instructions of the Majority Beneficiaries and for the purpose of registration of the General Security Deed on the PPSR.

5. **General Security Deed**

The General Security Deed is the agreement between SMATS Yield Investments Pty Ltd and Primary pursuant to which SMATS Yield Investments Pty Ltd grants a security interest in all its property to secure moneys lent in relation to the Bonds which General Security Deed is registered in the PPSR.

14. GLOSSARY OF TERMS

AFSL means Australian Financial Services Licence

Allotment means the allotment of Units to Investors in relation to the Class;

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;

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 GA Investor;

Application means an application to become a Class GA Investor using the Application Form;

Application Form means the application form in relation to this PDS found on Primary's website <https://primarysecurities.com.au/application-forms/> or that accompany this PDS.

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

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;

Bond means a "Bond" issued by SMATS Yield Investments Pty Ltd as part of the Australian Investment Bond Series 1;

Bond Face Value is \$10,000;

Bondholder the holder of a Bond in Australian Investment Bond Series 1 issued pursuant to the Information Memorandum, which will be Primary Securities Ltd as responsible entity of the Class GA;

Borrower means the Bondholder of the Australian Investment Bond Series 1 Bond;

Class means all assets and Income allocated to Class GA of Primary Investment Board, in this case, Application Money after Allotment and other money dedicated for or deriving from investment in the Australian Investment Bond Series 1;

Class Asset means:

- (a) amounts representing the Application Money received from Class GA 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 GA;
- (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 Class GA;
- (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 Class GA.

Class GA means Class GA in Primary Investment Board which will only invest in units in the Australian Investment Bond Series 1;

Class GA 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 GA of Primary Investment Board as a result of either:

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

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

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

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

Class Units means units in Class GA;

Complainant means a person making a Complaint;

Complaint means an expression of dissatisfaction made to or about an organisation (including Primary, SMATS Yield Investments Pty Ltd or Griffin), related to its products, services, staff, contractors or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required;

Complaints Officer means the complaints officer of Primary for the time being;

Constitution means the Constitution for Primary Investment Board ARSN 618 038 323 dated 1 July 2021, as varied from time to time and registered with ASIC

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;

Coupon means the known amount of regular interest income payable in relation to a facility;

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

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);

FUM or Funds under Management means the aggregate value of all investments in the Australian Investment Bond Series 1;

Griffin means Griffin Projects Group Pty Ltd and related companies;

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;

Information Memorandum means the information memorandum dated 28 February 2022 issued by SMATS Yield Investment Pty Ltd with respect to Bonds issued in the Australian Investment Bond Series 1;

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 GA of Primary Investment Board as a result of either:

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

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

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

Issue Price means the Issue Price for Units in Class GA being \$1.00 per Unit and remains at \$1.00 per Unit as the Class Distributable Income is fixed at the time the Unit is created by reference to the amount subscribed for the Unit;

Issuer means the issuer of this PDS being Primary Securities Ltd ACN 089 812 635, AFSL No 224107;

Issuer of the Bonds means the issuer of the Bonds being SMATS Yield Investment Pty Ltd;

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

NAV or Net Asset Value means the value of the assets less liabilities;

Offer means the offer of Units, contemplated by virtue of this PDS;

PDS means this Product Disclosure Statement;

PPSR means the Personal Property Securities Register which is an official government register. It is a public noticeboard of security interests in personal property that is managed by the Registrar of Personal Property Securities;

Primary means the Responsible Entity, Primary Securities Ltd ACN 089 812 635, AFSL No 224107;

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

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

Sandhurst means Sandhurst Trustees Limited, the custodian for Primary Investment Board.

SMATS Group means SMATS Services (Australia) Pty Ltd and related companies;

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

Unit means one of the equal undivided interests comprising an interest in assets and income of the Class.

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

15. CORPORATE DIRECTORY

RESPONSIBLE ENTITY - ISSUER OF THIS PDS

Primary Securities Ltd
ABN 96 089 812 635
Australian Financial Services Licence No 224107
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Website: www.primarysecurities.com.au

DIRECTORS OF THE RESPONSIBLE ENTITY

Toni Smith (Chair)
Robert Garton-Smith (Managing Director)
Natasha Olsen (Director)

CUSTODIAN OF PRIMARY INVESTMENT BOARD

Sandhurst Trustees Limited

AUDITORS OF PRIMARY INVESTMENT BOARD

Dry Kirkness (Audit) Pty Ltd

COMPLIANCE PLAN AUDITOR

Marius Van Der Merwe of
Dry Kirkness (Audit) Pty Ltd

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

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