

**CKM (Mortgages) Limited**

ABN 78 089 263 310

AFSL 238091

**Withdrawal Facility - Monthly Withdrawal Offers**

1 October 2011 – 28 September 2012

***The CKM Mortgage Trust***

ARSN 090 880 890

Section 601KB *Corporations Act 2001*

**1. Monthly Withdrawal Offers to Unit Holders in the Trust**

- 1.1 CKM (Mortgages) Limited ABN 78 089 263 310 (**Manager**) in its capacity as the responsible entity of *The CKM Mortgage Trust* ARSN 090 880 890 (**Trust**) offers Unit Holders in the Trust the right to request that they withdraw their units, in whole or in part, from the Trust subject to the terms of any Monthly Withdrawal Offer (**Withdrawal Facility**).
- 1.2 The amount payable by the Manager from the assets of the Trust to Unit Holders who request the withdrawal of units in the Trust pursuant to any Monthly Withdrawal Offer and whose requests are met, in whole or in part, is \$1.00 for each unit in the Trust (**Withdrawal Price**).
- 1.3 The Withdrawal Price for each unit that is withdrawn in accordance with a Monthly Withdrawal Offer is payable to the Unit Holder within 21 days after the closing date of the relevant Offer Period. However, it is anticipated that payments will normally be made to Unit Holders by close of business on the next business day after that closing date.

**2. Nature of the Withdrawal Facility**

- 2.1 The Withdrawal Facility contains 12 sequential, but separate, individual offers to withdraw (each a **Monthly Withdrawal Offer**).
- 2.2 It is important to note that:
  - (1) each Monthly Withdrawal Offer is separate from any other Monthly Withdrawal Offer;
  - (2) only one Monthly Withdrawal Offer is open at any time; and
  - (3) the Manager reserves the right to cancel any particular Monthly Withdrawal Offer as described in paragraph 5 below.

### 3. Period that each Monthly Withdrawal Offer is open

- 3.1 Each Monthly Withdrawal Offer will open at 9.00am on the first day of a calendar month and end at 10.00am on the last business day of the same calendar month. The first Offer Period commences at 9.00 am on 1 October 2011. The last Offer Period ends at 10.00 am on 28 September 2012. All references to time are to local Sydney time.
- 3.2 Any Unit Holder who wishes to withdraw units from the Trust during any Offer Period must complete the attached Withdrawal Request Form and lodge it with the Manager at PO Box 28, Cronulla NSW 2230 or deliver it to CKM (Mortgages) Limited, 29-31 Croydon Street, Cronulla NSW 2230. Additional Withdrawal Request Forms are available from the Manager.

### 4. Assets available to satisfy Withdrawal Requests under each Monthly Withdrawal Offer

- 4.1 The assets of the Trust that are available to satisfy withdrawal requests made by Unit Holders consist of cash that will be held by the Manager as scheme property as at the end of each relevant Offer Period. This cash will be held by the Manager from:

- (1) interest payments from borrowers;
- (2) capital repayments from borrowers on the discharge of their mortgages; and
- (3) applications for units in the Trust made pursuant to the PDS before or during the relevant Offer Period;

less amounts required during that month to pay expenses of the Trust, any income distribution payable to unit holders and loan commitments.

- 4.2 The amount of money that is expected to be available from the conversion of the assets referred to above into money is not less than \$2.0 million (**Minimum Monthly Withdrawal Amount**) and not more than \$10.0 million (**Maximum Withdrawal Amount**). The amount of money actually realised from the conversion of those assets into money and therefore available to satisfy withdrawal requests (**Realisation Amount**) will not be known until the end of the relevant Offer Period.
- 4.3 The Manager reasonably expects that the Realisation Amount at the end of each relevant Offer Period will be sufficient to meet all withdrawal requests from the Trust that may be made by Unit Holders in respect of each Offer Period to at least the Minimum Monthly Withdrawal Amount.
- 4.4 Accordingly, the Manager does not consider that there are any circumstances in which the Realisation Amount as at the end of each relevant Offer Period will be insufficient to satisfy all withdrawal requests that may be made by Unit Holders during that Offer Period up to the Minimum Monthly Withdrawal Amount.

- 4.5 If the Manager receives withdrawal requests in respect of any Offer Period which in the aggregate exceed the Realisation Amount in respect of that Offer Period it will comply with its obligations under sections 601KB(3)(d) and 601KD of the *Corporations Act 2001*. This means that: all requests received during the relevant Offer Period will be satisfied proportionately in accordance with the formula:

$$\text{Realisation Amount} \quad X \quad \frac{\text{number of units that the Unit Holder requested be withdrawn}}{\text{total number of units that all Unit Holders requested be withdrawn}}$$

- 4.6 Should the withdrawal requests be processed on the above proportionate basis the Manager will:
- (1) notify the Unit Holders who requested the withdrawal of units of this; and
  - (2) invite those Unit Holders to lodge with the Manager a further withdrawal request for a subsequent Offer Period.

## **5. Cancellation of a Monthly Withdrawal Offer**

- 5.1 Before the commencement of each Offer Period the Manager will determine the liquidity of the Trust and identify a pool of liquid assets to the value of at least the Minimum Monthly Withdrawal Amount and being not more than the Maximum Withdrawal Amount, from which the Withdrawal Price for any withdrawal requests received in relation to that Offer Period will be paid, either in full or proportionately as set out in paragraph 4.5.
- 5.2 The Manager at any time:
- (1) will cancel a Monthly Withdrawal Offer as soon as possible if, in accordance with paragraph 5.1, it reasonably determines that there are insufficient liquid assets to satisfy withdrawal requests for that Offer Period up to an amount of the Minimum Monthly Withdrawal Amount;
  - (2) will cancel a Monthly Withdrawal Offer during the relevant Offer Period, before the close of that Offer Period if it is in the best interests of all of the unit holders in the Trust to do so. In this case it will notify those Unit Holders who lodged a withdrawal request in relation to that Monthly Withdrawal Offer; and
  - (3) may cancel any one or more of the Monthly Withdrawal Offers that have not yet opened or cancel the operation of this Withdrawal Facility, with the effect that each Monthly Withdrawal Offer that has not yet opened will be automatically cancelled. In either of these situations, the Manager will notify all unit holders in the Trust.

## 6. Renewal of Withdrawal Facility

6.1 The current Withdrawal Facility will cease to operate after the first to occur of:

- (1) the cancellation of the Withdrawal Facility as described in paragraph 5.2(3); or
- (2) the close of the last Offer Period, that is, after 28 September 2012.

6.2 The Manager may renew the Withdrawal Facility with effect from such date as it determines and on the same or different terms as this Withdrawal Offer. If it does so all unit holders in the Trust will be notified not less than 30 days before the renewed Withdrawal Facility commences. It is the present intention of the Manager to renew the Withdrawal Offer on the same terms, with effect from 1 October 2012. However, there is no guarantee or assurance that this will happen or that the Minimum Monthly Withdrawal Amount or the Maximum Withdrawal Amount will remain the same.

## 7. Definitions

7.1 For the purpose of each Monthly Withdrawal Offer:

- (1) **Offer Period** means EACH of the following periods commencing on the relevant Offer opening date and closing on the relevant Offer closing date:

Offer opening date	Offer closing date
1 October 2011	31 October 2011
1 November 2011	30 November 2011
1 December 2011	30 December 2011
1 January 2012	31 January 2012
1 February 2012	29 February 2012
1 March 2012	30 March 2012
1 April 2012	30 April 2012
1 May 2012	31 May 2012
1 June 2012	29 June 2012
1 July 2012	31 July 2012
1 August 2012	31 August 2012
1 September 2012	28 September 2012

- (2) **Unit Holder** means any person who is registered in the register of unit holders as the holder of units in the Trust as at midnight on the day immediately preceding the relevant Offer opening date of the relevant Offer Period;
- (3) **Withdrawal Facility Period** means the period commencing on 1 October 2011 and ending on 28 September 2012; and
- (4) **PDS** means the product disclosure statement issued by the Manager in relation to the Trust dated 19 August 2008, as supplemented or replaced during the Withdrawal Facility Period.

**CKM (Mortgages) Limited**

By order of the Board



K J Millar  
Director

Date: 31 August 2011