



STERLING
INCOME TRUST

FIRST MORTGAGE UNITS

Product Disclosure Statement

Theta Asset Management Limited

ABN 37 071 807 684 AFSL 230920

As responsible entity of the

Sterling Income Trust ARSN 158 828 105

 **THETA ASSET MANAGEMENT**



STERLING
CORPORATE
SERVICES

This product disclosure statement is dated 20 May 2016

Key contact details are as follows:

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Important Notice and Disclaimer

Product disclosure statement

This product disclosure statement is dated 20 May 2016 ("PDS") and relates to the offer of First Mortgage Units in the Sterling Income Trust ARSN 158 828 105 ("SIT")(the "Offer"). Theta Asset Management Ltd (ABN 37 071 807 684, AFSL 230920) ("Theta", "Responsible Entity", "we" or "us") is the responsible entity of the SIT and issuer of the Units forming part of the Offer. Theta takes full responsibility for the whole of this PDS. Theta has appointed Sterling Corporate Services Pty Ltd ("SCS" or "Investment Manager") to assist in preparing this PDS. SCS is a Corporate Authorised Representative (number 444776) of Theta.

Not investment advice

The information provided in this PDS is not financial product advice. It is general information only, and has been prepared without taking into account investment objectives, financial circumstances or particular needs. You should consider whether the information in this PDS is appropriate for you in light of your objectives, financial situation and needs. In particular, you should consider the risk factors (see pages 9, 19 and 20) that could affect the financial performance of the SIT before deciding what course you should follow. You should consider these factors in light of your personal circumstances. To obtain advice or more information about the information described in this PDS, you should speak to an appropriately licensed financial planner or licensed advisor.

Please carefully read the instructions on the accompanying Application Form in connection with the Offer.

No cooling-off rights

Cooling-off rights do not apply to an investment in Units pursuant to the Offer. This means that you cannot withdraw your Application once it has been accepted.

Electronic PDS

This PDS may be viewed online on Theta's website at www.thetaasset.com.au or on the SIT website www.sitfund.com.au. It is not available to persons in the United States. If you access the electronic version of this PDS you should ensure that you download and read the entire PDS.

A paper copy of this PDS can be obtained, free of charge by calling the SIT Offer Information Line: 08 9523 5800 at any time from 9.00am to 5.00pm (Perth time) Monday to Friday or Theta on +61(0)2 8012 0638 at any time from 9.00am to 5.00pm (Sydney time) Monday to Friday.

You will only be entitled to accept the Offer by completing an Application Form attached to or which accompanies this PDS (refer to the "How to apply" section for further information).

Updated information

Information about the SIT may need to be updated by Theta. Any updated information about the SIT which is not materially adverse to Unitholders will be made available on Theta's website at www.thetaasset.com.au and the SIT website www.sitfund.com.au. Theta will provide a copy of the updated information free of charge to any person who requests a copy by calling the SIT Information Line: 1300 665 890 at any time from 9.00am to 5.00pm (Perth time) Monday to Friday, or Theta on +61(0)2 8012 0638 at any time from 9.00am to 5.00pm (Sydney time) Monday to Friday.

Foreign jurisdictions

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. No action has been taken to register the Units or otherwise permit an offering of Units in any jurisdiction outside of Australia.

The distribution of this PDS (whether electronically or otherwise) outside Australia may be restricted by law. If you come into possession of this PDS (electronically or otherwise), you should observe any such restrictions and should seek your own advice on such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

Disclaimer

No person is authorised to give any information or make any representation in connection with the information described in this PDS, which is not contained in this PDS. Any information or

representation not contained in this PDS may not be relied on as having been authorised by the SIT or Theta in connection with the SIT.

This PDS may contain forecast financial information along with forward looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends", and other similar words that involve risks and uncertainties. These forecasts and forward looking statements are subject to various risk factors that could cause the SIT's actual results to differ materially from the results expressed or anticipated in these forecasts or statements. These risk factors are set out on pages 8, 18 and 19. These and other factors could cause actual results to differ materially from those expressed in any forecast or forward looking statement made by, or on behalf of, the SIT or Theta.

As part of operating the SIT, Theta must ensure compliance with applicable occupational, health and safety standards and statutory environmental requirements. Except as indicated above, Theta does not take account of labour standards, environmental, social or ethical considerations in selecting, retaining or realising investments for the SIT.

Neither Theta nor the SIT promises that you will earn any return on your investment or that your investment will gain or retain its value. No company other than Theta makes any statement or representation in this PDS. It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each reader. Accordingly, nothing in this PDS should be construed as a recommendation by Theta, or any associate of Theta, or any other person concerning an investment in the SIT.

Readers should not rely on this PDS as the sole basis of a decision to invest in the SIT. Readers should seek their own financial, legal and taxation advice as appropriate before making a decision to invest in the SIT.

Financial amounts

Money as expressed in this PDS is in Australian dollars unless otherwise indicated.

Definitions and abbreviations

Defined terms and abbreviations used in this PDS are explained in the Glossary at the end of this PDS.

Photographs

The photographs appearing in this PDS are for illustration purposes only and unless otherwise stated do not represent assets of the SIT.

ASIC

A copy of this PDS has not been, and is not required to be, lodged with ASIC. ASIC takes no responsibility for any part of this PDS.

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Please read this PDS in its entirety before you make any investment decision.

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HIGHLIGHTS

● Established Fund

- Various investment options, including Income Units, First Mortgage Units, Development Units and Management Company Units
- Established in 2012
- Total units on Issue 14,980,858

● First Mortgage Units

- Target distributions of 7.9% pa*
- Distributions now paid monthly
- Secured by first mortgage and general security agreement
- Provides residential property funding and funding to build residential homes for Sterling New Life
- Unprecedented demand has facilitated the need for this funding

** Unitholders should note that any reference in this PDS to past performance is not a reliable guide to future performance. Any reference to target distribution rates are based on the interest rates payable under the Master Facility Agreements for loans to be advanced by the SIT, the estimated operating costs of the SIT and its investments and the historical performance of the underlying investments. Refer to page 7 for further details. No distribution rate is guaranteed. Returns may be more or less than historical returns and the target returns stated.*

Please read the Key Risks section on page 8 and Section 4 "Risks" on pages 18 and 19.

Introduction

OFFER AT A GLANCE

Current Unit Price	\$1.00 per unit , for May 2016 - refer to www.sitfund.com.au for the Current Unit Price The issue price is determined with reference to the net asset value of the relevant class of units and the number of Units in that class on issue. The Current Unit Price is determined at 5.00pm (WST) at the end of each month and published on www.sitfund.com.au . Refer to page 20 for further details.
Asset Type	Residential land acquisition and housing construction funding and long term residential property ownership funding
Current First Mortgage Units on Issue	435,000
Distribution Payment	Monthly - Distributions will be paid not later than 15 days following the end of each month. The next distribution will be for the month ending 30 April 2016 and be paid no later than 15 May 2016. Income on Daily Balance - for investment during a month, distribution entitlement calculated based on days invested during that month.
Historical Annual Distributions*	For the quarter ended 31 December 2015, 1.975c per unit, 7.9% annualised yield, 0% tax deferred For the quarter ended 31 March 2016, 1.975c per unit, 7.9% annualised yield, 0% tax deferred
Target Distributions*	7.9% pa
Tax	0% Tax Deferred
Net Tangible Assets	\$435,000
Security	Mortgage - First ranking to a maximum LCR of 75% on development properties and up to 80% of the LVR of a completed income earning property. General Security Agreement
Minimum Investment	\$2,000 with additional investments to be made in \$500 increments.
Redemption	The SIT is not listed on any securities exchange, and is considered an illiquid investment. There is no guaranteed redemption of Units, however Unitholders may be able to redeem their Units via a Conditional Redemption Offer, which will be made to Unitholders in a particular class at the discretion of the SIT. The intention is to make Conditional Redemption Offers available to Unitholders in a class who have held their Units for at least 12 months and for those offers to be made quarterly. Unitholders can choose to redeem for cash, or for another class of unit or a combination of both. Redemption payments will be made on 30 April, 31 July, 31 October and 31 January. A Unitholder who has held their units for at least 12 months can indicate their desire to redeem their units by completing the Redemption Application Form attached.

2 Unitholders should note that any reference in this PDS to past performance is not a reliable guide to future performance. Any reference to target distribution rates are based on the interest rates payable under the Master Facility Agreements for loans to be advanced by the SIT, the estimated operating costs of the SIT and its investments and the historical performance of the underlying investments. Refer to page 7 for further details. No distribution rate is guaranteed. Returns may be more or less than historical returns and the target returns stated.

Please read the Key Risks section on page 9 and Section 4 "Risks" on pages 19 and 20.

Introduction

STERLING INCOME TRUST

The Sterling Income Trust ("SIT" or "Trust") was established in 2013 as the Rental Management Investment Trust to acquire the RMA Holding Trust which was established in February 2012 to hold Rental Management Income Rights.

Recent changes to the SIT's constitution have allowed the following:

- **First Mortgage Units (of which this PDS relates)** - invests in the First Mortgage Trust which holds mortgage secured loans. As at the date of this PDS there were 435,000 First Mortgage Units on issue and two distributions have been made to Unitholders averaging 7.9% pa*;
- **Income Units** - invests in the RMA Holding Trust which holds residential rental management agreements. As at the date of this PDS there were 11,007,229 Income Units on issue and 14 quarterly distributions have been made to Unitholders averaging 9.25% pa*;
- **Development Units** - invests in the Property Development Trust which holds mortgage secured loans. As at the date of this PDS there were 3,322,801 Development Units on issue, and four distributions have been made to Unitholders averaging 20% pa*;
- **Management Company Units** - invests in the Management Company Share Trust which holds shares in Sterling First (Aust) Limited ("Sterling First"). As at the date of this PDS there are 0 Management Company Units on issue;

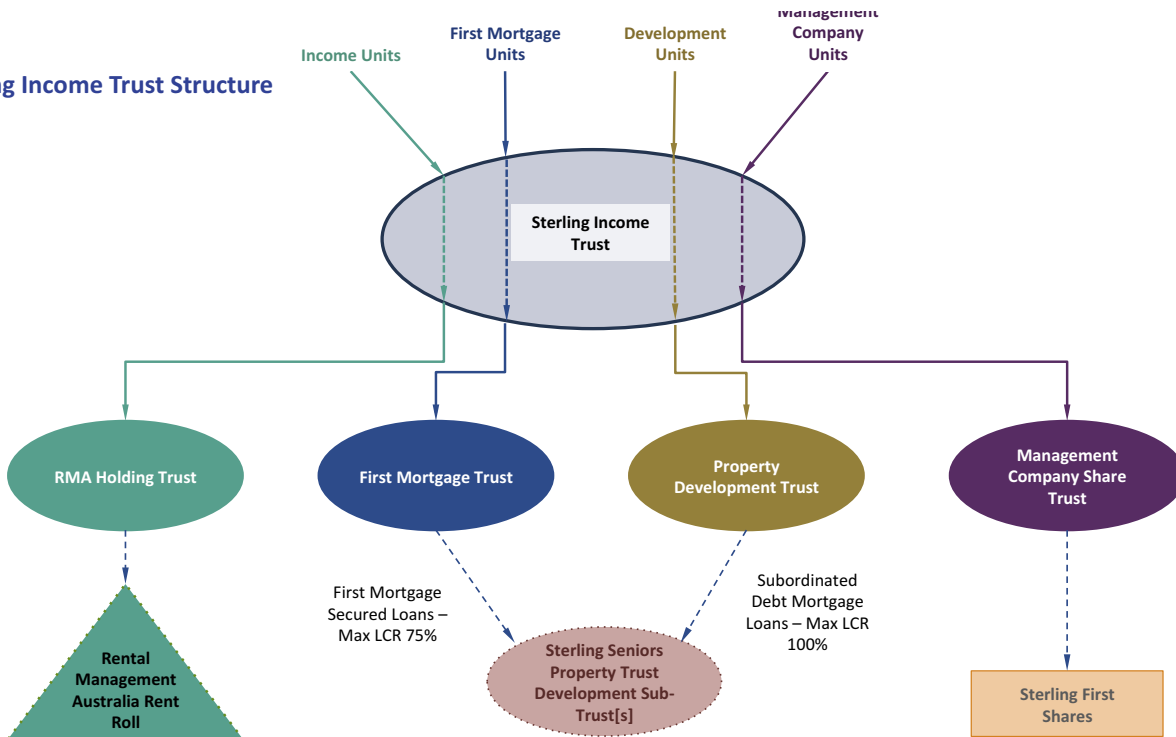
Redemption - The SIT is not listed on any securities exchange, and is considered an illiquid investment. There is no guaranteed redemption of Units, however Unitholders may be able to redeem their Units via a Conditional Redemption Offer. The intention is to make Conditional Redemption Offers available to Unitholders in a class who have held their Units for at least 12 months and for those offers to be made quarterly. Unitholders can choose to redeem for cash, or for another class of unit or a combination of both.

A First Mortgage Unitholder who has held their units for at least 12 months can indicate their desire to redeem their units by completing the Redemption Application Form.

Please note, Conditional Redemption Offers are not guaranteed.

This PDS relates only to investment in First Mortgage Units. To invest in other classes of units in the SIT, please refer to the specific product disclosure statement issued for those classes.

Sterling Income Trust Structure



Unitholders should note that any reference in this PDS to past performance is not a reliable guide to future performance. Any reference to target distribution rates are based on the interest rates payable under the Master Facility Agreements for loans to be advanced by the SIT, the estimated operating costs of the SIT and its investments and the historical performance of the underlying investments. Refer to page 7 for further details. No distribution rate is guaranteed. Returns may be more or less than historical returns and the target returns stated.

Please read the Key Risks section on page 9 and Section 4 "Risks" on pages 18 and 19.

Introduction

FIRST MORTGAGE UNITS OVERVIEW

Asset Type	Land Acquisition, Construction and Holding Loans to the SSPT sub trust Mortgage loans secured over residential property being constructed. Funds are advanced to wholly owned sub trusts of the SSPT or a third party borrower on the terms of the Master Facility Agreement or similar. All loans are secured by either a first ranking mortgage and a general security agreement. Standard loan terms are for an interest rate of 9.9% per annum.
General Loan Terms:	
Asset	Residential dwellings.
Interest Rate	9.9% per annum
Maximum LCR or LVR	75% The First Mortgage Trust can advance funds up to 75% of the cost of a residential development, which will generally reflect a loan to value ratio ("LVR") of up to 65%, and up to 80% of the LVR of completed property available for occupancy.
SSPT Borrower	A sub trust of the SSPT. The SSPT is a residential property trust established by Sterling First which focuses on providing affordable housing to retirees and those approaching retirement. The First Mortgage Units have been created to allow investors to participate in Sterling Firsts property development and ownership in a secure manner, and to provide funding (with the benefit of a first ranking mortgage) to allow Sterling First to construct and own properties to meet its demand from seniors.
Third Party Borrower	Loans to parties other than the SSPT Borrower, must be on the same or similar terms to the Master Facility Agreement.
Distribution History	For the quarter ended 31 December 2015, 1.975c per unit, 7.9% annualised yield, 0% tax deferred For the quarter ended 31 March 2016, 1.975c per unit, 7.9% annualised yield, 0% tax deferred
Target Distributions	7.9% per annum The Target Distribution is based on the interest rate payable under the Master Facility Agreement (being 9.9% per annum) less the estimated operating costs of the SIT and the sub trusts (estimated to be an amount of 2% per annum (refer to page 23)). No distribution rate is guaranteed. Returns may be more or less than historical returns and the target returns stated.
First Mortgage Units on Issue as at the date of the PDS	435,000
Net Tangible Assets per unit as at the date of the PDS	\$1.00

Introduction

ASIC BENCHMARKS AND DISCLOSURE PRINCIPLES

ASIC has developed eight benchmarks and disclosure principles designed to help Unitholders better understand, compare and assess mortgage funds and understand whether such an investment is suitable for them. Although the SIT is not a mortgage fund, because over time the First Mortgage Units may constitute 50% or more of the SIT's non-cash assets, the eight benchmarks and disclosure principles will apply.

Set out in the table below are each of the benchmark and disclosure principles together with a summary of how each benchmark and disclosure principle is addressed by the SIT in relation to the First Mortgage Units or a reference to the relevant pages in this PDS that provides the relevant information.

ASIC Benchmark and Disclosure Principle	Disclosure against benchmark and disclosure principle	Page Reference
<p>1. Liquidity This benchmark and disclosure principle addresses the SIT's ability to satisfy its expenses, liabilities and other cash flow needs, including the preparation of 12-month cash flow estimates that are approved by the directors.</p>	<p>This benchmark is met.</p> <p>The Responsible Entity has cash flow estimates for the SIT that:</p> <ul style="list-style-type: none"> demonstrate the SIT's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months; are updated at least every 3 months and reflect material changes; and are approved by the directors at least every three months. <p>However, please note the SIT is an illiquid scheme.</p>	
<p>2. Scheme Borrowing This benchmark and disclosure principle addresses the SIT's policy on borrowing, including the SIT's actual and intended borrowing, as well as the SIT's policy on borrowing.</p>	<p>This benchmark is met.</p> <p>Neither the SIT, nor the First Mortgage Trust, have or intend to have any borrowings.</p>	Page 20
<p>3. Loan portfolio and diversification This benchmark and disclosure principle addresses the SIT's lending practices and portfolio risk, including concentration risk.</p>	<p>This benchmark is not met.</p> <p>While the First Mortgage Units are in their start up phase, it is possible that:</p> <ul style="list-style-type: none"> the First Mortgage Trust's portfolio will comprise assets that are not diversified by size, borrower, class of borrower or geographic location single assets may exceed 5% of the First Mortgage Trust's total assets a single borrower may exceed 5% of the First Mortgage Trust's assets. <p>As at the date of the PDS the First Mortgage Trust's portfolio consists of several residential property development projects with a single borrower.</p>	
<p>4. Related party transactions This benchmark and disclosure principle addresses the risks associated with related party lending, investments and transactions, including details of any related party transactions.</p>	<p>This benchmark is not met.</p> <p>The First Mortgage Units invest in the First Mortgage Trust. The First Mortgage Trust can lend funds to a sub trust of the SSPT. The trustee of the SSPT is Theta, and the Investment Manager of the SSPT is SCS. SCS is trustee of the First Mortgage Trust. The trustee of the SSPT sub trust is Acquest Property Pty Ltd (a wholly owned subsidiary of SCS). All arrangements are on arm's length terms.</p>	Pages 5, 6, 7, 19, 20 and 28
<p>5. Valuation Policy This benchmark and disclosure principle addresses the SIT's valuation practices, including when an independent valuation is required</p>	<p>This benchmark is not met.</p> <p>The First Mortgage Trust will value secured properties based on costs to date in respect of properties under construction, and on an as if complete basis, based on the sales prices assessed by the selling agents for the respective properties. A copy of the SIT's valuation policy is available from www.sitfund.com.au free of charge.</p>	
<p>6. Lending principles - LVRs This benchmark and disclosure principle addresses the SIT's lending practices, including the LVRs</p>	<p>This benchmark is not met.</p> <p>The First Mortgage Trust can not lend more than 75% of the LCR which must also not exceed 65% of the LVR on an as if complete basis for a development property and not more than 80% of the LVR for completed property that is available to be occupied.</p>	Pages 20 and 26
<p>7. Distribution Practices This benchmark and disclosure principle addresses the transparency of the SIT's distribution practices, including whether current distributions are paid from SIT borrowings, and disclosure of the source of distributions</p>	<p>This benchmark is met.</p> <p>Any distributions are paid monthly from interest received on loans.</p>	Pages 4, 5, 7, 19, 20 and 21
<p>8. Withdrawal arrangements This benchmark and disclosure principle addresses the transparency of the Responsible Entity's approach to withdrawals of investments when the SIT is liquid and when the SIT is not liquid</p>	<p>This benchmark is met.</p> <p>The SIT is an illiquid scheme. The Responsible Entity generally intends to make Conditional Redemption Offers to First Mortgage Unitholders who have held their Units for at least 12 months and for those offers to be made quarterly.</p>	Pages 5, 6, 10 and 21

KEY RISKS (further details can be found on pages 18 and 19)

All investments involve some degree of risk. An investment in the First Mortgage Units involves all the usual risks of business ownership as well as risks particular to this investment structure. Many risks cannot be controlled by the SIT, and may affect the future performance of the SIT.

Income Risk - The First Mortgage Unitholders will receive income by way of distributions from the First Mortgage Trust. The distributions are therefore reliant on the financial performance of the First Mortgage Trust. The ability of the First Mortgage Trust to pay distributions is dependent on its financial performance and is not guaranteed. A Unitholder will receive any distributions from the SIT after the costs of operating the SIT have been deducted.

Liquidity Risk - The SIT Units are not listed on any securities exchange, and are considered an illiquid investment. Whilst the SIT will make Conditional Redemption Offers, there is no guarantee of redemption of Units.

Secured Loan Risk - The First Mortgage Trust will be making secured loans. The financial performance of the First Mortgage Trust is reliant on the ability of the borrowers to meet their obligations under the loan agreements. The ability of the First Mortgage Trust to pay distributions to the SIT is dependent on its financial performance and is not guaranteed.

Refer to pages 18 and 19 for further details on risks associated with investment in the SIT and in First Mortgage Units in particular.

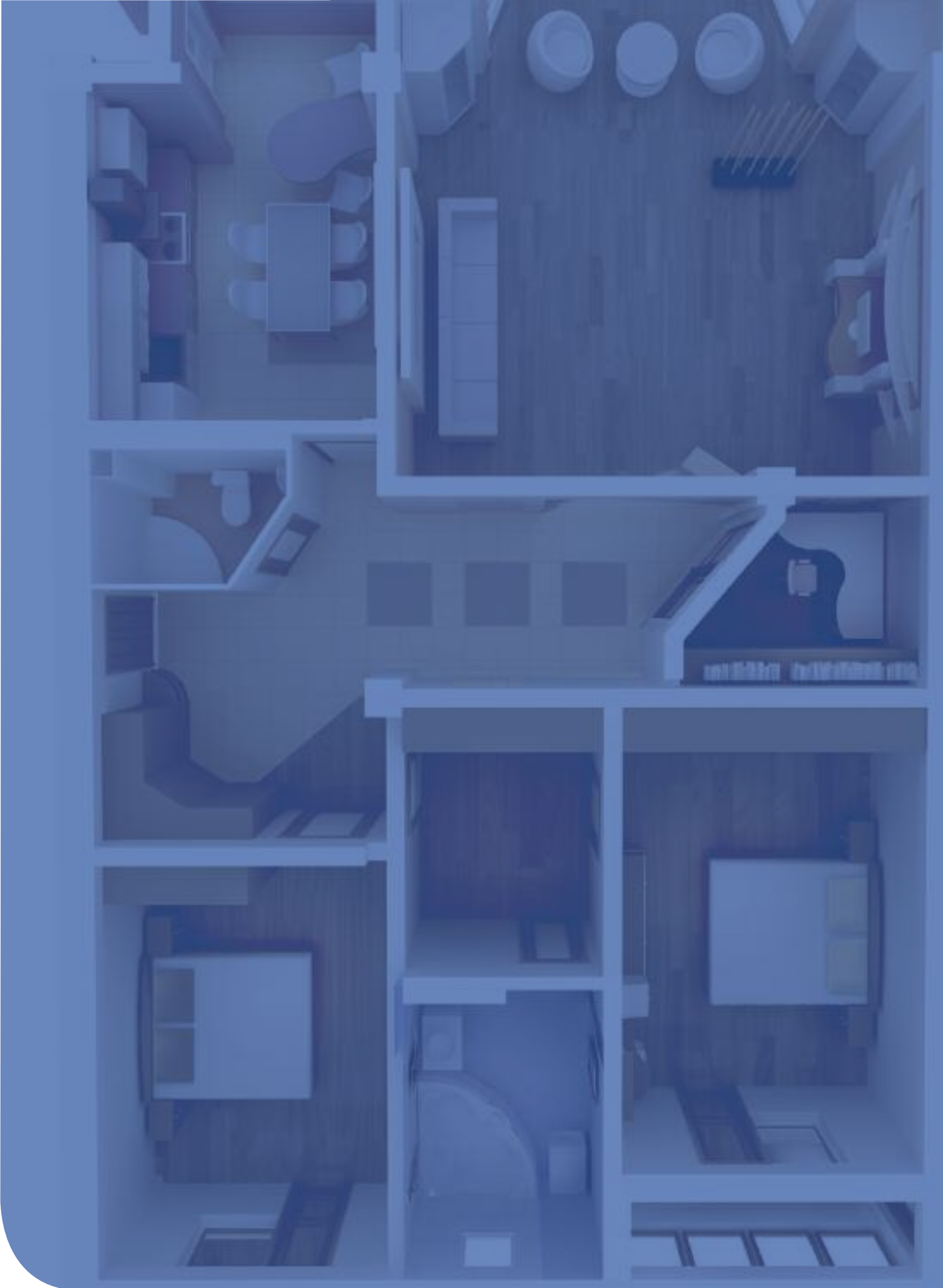
Introduction

Current Sterling First project, 8 apartments in Oneida Rd, Secret Harbour
Photo's taken 1 February 2016, project completing July 2016



Feature	Details
Minimum Subscription	There is no minimum subscription.
Maximum Subscription	There is no maximum subscription. The level of subscription will only be limited if the Investment Manager determines it cannot utilise capital raised above a certain level.
Issue of Units	Applications for Units will usually be processed on the day of receipt and applicants will receive a Holding Statement within ten business days of the allotment of Units.
Minimum Investment	\$2,000 with additional investments to be made in \$500 increments.
Application Price	\$1.00 per Unit.
Objective for the First Mortgage Units	To give Unitholders an exposure to Australian residential property through loans secured against residential property development.
Structure	The SIT is a unit trust registered as a managed investment scheme with four wholly owned sub trusts, the RMA Holding Trust, the First Mortgage Trust, the Property Development Trust and the Management Company Share Trust.
Liquidity/Redemption	<p>The First Mortgage Units are not listed on any securities exchange, and are considered an illiquid investment. There is no guaranteed redemption of Units, however Unitholders may be able to redeem their Units via Conditional Redemption Offers, which will be made to Unitholders at the discretion of the SIT.</p> <p>Conditional Redemption Offers, when made, are expected to be funded out of either new equity raised or returned loan funds. There is no guarantee however, that there will be sufficient funds available to meet the redemption requests in full or in part.</p> <p>The intention is to make Conditional Redemption Offers available to Unitholders in a class who have held their Units for at least 12 months and for those offers to be made quarterly. The Conditional Redemption Offer price will normally be the price determined by the SIT, in accordance with the Constitution, at the time a Conditional Redemption Offer is made. The price will be determined with reference to the net asset value of the First Mortgage Trust divided by the number of respective First Mortgage Units on issue. Further details will be provided to Unitholders at the time that a Conditional Redemption Offer is made. Redemption can be applied for by completing the Redemption Application Form attached to this PDS. Please note, Conditional Redemption Offers are not guaranteed.</p>
First Mortgage Unit Investment	The First Mortgage Units invest only in the First Mortgage Trust and some cash.
Offer Opened	18 May 2015 for the First Mortgage Units
Offer Closing Date	At the discretion of the SIT.
Term of Investment	The SIT is an open-ended investment.
Acceptance of Applications	Acceptance of an application is at the discretion of the Responsible Entity.
Use of Funds	Any funds raised pursuant to this Offer will be used to invest in the First Mortgage Trust (which ultimately invests in mortgage secured loans on residential property).
Cooling-Off Rights	Cooling-off rights do not apply to an investment in Units pursuant to the Offer. This means that you cannot withdraw your Application once it has been accepted.

Distributions	<p>The SIT will make distributions to Unitholders upon receiving any distributions from the First Mortgage Trust. Distribution payments will be made no later than 15 days after the end of each month.</p> <p>Daily Balance - For an investment allotted part way through a month, the distribution entitlement will be calculated based on the number of days from the day of allotment to the end of the month. For example, where a Unitholder's allotment is on 26 May, and a full month's distribution would have been \$100, their distribution entitlement would be calculated as follows:</p> $\text{Distribution} = \text{Full months Distribution} \times \text{Days Invested} / \text{Total days in month}$ $\text{Distribution} = 100 \times 5/31 = \16.12 <p>The ability of the SIT to pay a distribution is dependent on the financial performance of the SIT and the First Mortgage Trust and is not guaranteed.</p>
Return on Investment*	<p>First Mortgage Units receive a flow through of distributions from the First Mortgage Trust, less the relative share of costs of the SIT. The First Mortgage Trust advances funds on the basis of a 9.9% pa standard interest rate. Allowing for costs of operating the SIT, Unitholder distributions are targeted to be approximately 7.9% pa see page 6. The Income will be taxable.</p> <p>No one promises that you will earn any return on your investment or that your investment will gain or retain its value.</p> <p><i>* Unitholders should note that any reference in this PDS to past performance is not a reliable guide to future performance. Any reference to target distribution rates are based on the interest rates payable under the Master Facility Agreements for loans to be advanced by the SIT, the estimated operating costs of the SIT and its investments and the historical performance of the underlying investments. Refer to page 7 for further details. No distribution rate is guaranteed. Returns may be more or less than historical returns and the target returns stated.</i></p> <p><i>Please read the Key Risks section on page 9 and Section 4 "Risks" on pages 19 and 20.</i></p>
Taxation	<p>Distributions from the SIT may be taxable. Unitholders will receive a year-end statement advising them of the taxability of the distributions from the SIT.</p>
Risks	<p>There are risks associated with an investment in the SIT that should be considered prior to acquiring Units. A detailed explanation of these risks are set out on pages 18 and 19.</p>
Fees	<p>Fees and management costs are payable to the Responsible Entity and Custodian for the ongoing operation of the SIT as well as to the Investment Manager for managing the assets of the SIT. Details of these fees and costs are set out on pages 22 and 23.</p>
Borrowings	<p>Neither the SIT nor the First Mortgage Trust will borrow.</p>
Responsible Entity	<p>The Responsible Entity of the SIT is Theta Asset Management Limited (ABN 37 071 807 684, AFSL No. 230920). Theta is the holder of an AFSL issued by ASIC that allows it to act as the Responsible Entity of the SIT.</p>
Custodian	<p>The Custodian of the SIT is Australian Executor Trustees Limited (ABN 84 007 869 794, AFSL 240023) ("Custodian"). The Custodian is the holder of an AFSL issued by ASIC that allows it to act as the Custodian of the SIT.</p>
Corporate Governance	<p>The Responsible Entity maintains a related party transactions policy and a conflict of interest policy. Refer to pages 27 for further details on Conflicts of Interest and Related Party Transactions.</p>



RESPONSIBLE ENTITY

Theta, as Responsible Entity, is responsible for all compliance and regulatory aspects of operating the SIT. Theta holds an AFSL (AFSL No. 230920), which authorises it to act as the responsible entity of the SIT. Theta is a provider of responsible entity and trustee services and the issuer of units in managed investment schemes in the Australian market.

The powers and duties of Theta are set out in the SIT's Constitution, the Corporations Act, and general trust law.

The duties of Theta under the Corporations Act include:

- acting in the best interests of Unitholders and, if there is a conflict between Unitholders' interests and Theta's interests, giving priority to Unitholders' interests;
- ensuring that SIT property is clearly identified as SIT property and held separately from property of Theta and property of any other fund, and is valued at regular intervals;
- ensuring that payments out of SIT property are made in accordance with the Corporations Act; and
- reporting to ASIC any significant breach of the Corporations Act in relation to the SIT which has had, or is likely to have, a materially adverse effect on the interests of Unitholders as well as any significant breach of Theta's general obligations as an AFSL holder.

Subject always to any liability which the Corporations Act might impose on the Responsible Entity, so long as it acts without gross negligence, fraud or breach of trust it is not liable to Unitholders for any loss suffered in any way relating to the SIT. The liability of the Responsible Entity to any person other than a Unitholder in respect of the SIT is limited to the Responsible Entity's actual indemnification from the SIT's assets for that liability.

Theta is the issuer of all Units in the SIT and is the issuer of this PDS. SCS has been contracted by Theta to carry out all investment management functions in relation to the SIT.

Refer to page 23 for a summary of the Investment Management Agreement. Subject to the requirements of the Corporations Act, the role of Theta does not include making an assessment as to whether the First Mortgage Trust has the capacity to pay distributions. Theta provides no assurance that distributions will be paid to, or by, the SIT. The ability of the First Mortgage Trust to pay distributions to the SIT will be dependent on the financial performance of the First Mortgage Trust and is not guaranteed.

Executive Directors of the Responsible Entity**Robert Marie, Managing Director, appointed 31 July 2009**

Robert has over 20 years experience in the financial services sector. Robert has specialised in financial services marketing working with a range of leading companies, including Macquarie Bank, Australian Wealth Management and BankWest.

Since 2006 Robert has provided responsible entity and trustee services via both Theta and Valuestream Investment Management Ltd, a company of which he is also a director.

SIT CONSTITUTION

Theta's responsibilities and obligations as Responsible Entity, as well as the rights and obligations of Unitholders and the rights and liabilities attaching to the Units, are governed by the SIT's Constitution, the Corporations Act, general trust law and this PDS. Under the SIT's Constitution, Theta has all the powers of a natural person in respect of the SIT. The SIT's Constitution contains a number of provisions relating to the rights of Unitholders and the obligations of Theta, as Responsible Entity. This PDS outlines some of the more important provisions of the SIT's Constitution.

The SIT's Constitution gives the Responsible Entity the right to be paid fees and expenses from the SIT, and governs matters such as Unitholder meetings, the issue and withdrawal of Units (where permitted) and Unit pricing, as well as what happens when the SIT is terminated.

Theta will provide Unitholders with a copy of the SIT's Constitution upon request at no cost.

AMENDMENTS TO THE SIT CONSTITUTION

Theta may amend the Constitution of the SIT from time to time, subject to the provisions of the Constitution and the Corporations Act. Generally, Theta can only amend the SIT's Constitution where Theta reasonably believes that the change will not adversely affect your rights as a Unitholder. Otherwise the Constitution can only be amended if approved by special resolution at a meeting of Unitholders.

CUSTODIAN

Theta has appointed a separate custodian to hold the assets of the SIT.

The Custodian of the SIT is Australian Executor Trustees Limited ABN 84 007 869 794. Australian Executor Trustees Limited is one of Australia's largest and oldest trustee companies, having been established in 1880. Australian Executor Trustees Limited is a member of the IOOF Holdings Limited ("IOOF") Group, a leading provider of wealth management products and services in Australia. IOOF is listed on the ASX.

The Responsible Entity has appointed Australian Executor Trustees Limited under a custodian services agreement. The Custodian's role is to hold the assets in its name and act on the direction of the Responsible Entity to effect cash and investment transactions. Australian Executor Trustees Limited has no supervisory role in relation to the operation of the SIT and has no liability or responsibility to a Unitholder for any act done or omission made in accordance with the custodian agreement.

DISCLAIMER

Australian Executor Trustees Limited has not withdrawn its consent to be named in this PDS as Custodian of the SIT in the form and context in which it is named. Australian Executor Trustees Limited does not make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by Australian Executor Trustees Limited.

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

Australian Executor Trustees Limited's role as Custodian is limited to holding the assets of the Fund.

INVESTMENT MANAGER

Theta has appointed SCS to act as Investment Manager to manage the SIT assets and to provide all back office fund administration processes including Unitholder interface, registry, investment reporting and accounting. Theta maintains strict controls over these matters, including detailed and regular reporting processes. SCS earns management fees for the provision of this service the details of which can be found in section 6 "Fees and other Costs".

SCS will value the assets of the SIT consistent with the valuation principles set out in the Constitution of the SIT.

SCS is part of the Sterling First group and is an experienced investment manager. The Sterling First group comprises three divisions, the Funds Management Division, incorporating SCS, a Property Services Division, which manages all of the SSPT acquisitions, constructions and sales of the properties for which the First Mortgage Trust and the Property Development Trust will be making secured loans and a Property Management Division which provides the ongoing property management services the Rental Management Australia.

PROPERTY SERVICES

Sterling First Projects Pty Ltd, a Sterling First company has been appointed by the SSPT to source all properties to be acquired, secure builders, manage all construction and manage the sale and leasing of all the properties of the SSPT.

Sterling First has developed the unique Sterling New Life Leases (SNLL) which are aimed at providing affordable housing for seniors and retirees. The essence of the offer, is that through the utilisation of planning changes allowing for urban infill housing, Sterling First can construct multiple dwellings on previously single residential lots and either sell those properties on a strata title basis to a senior, or sell them an SNLL, at a discount of up to 40% of the strata sale price. If the property is sold to a SNLL tenant the property can then either be sold to an investor, or retained by Sterling First.

The key attractions to seniors of the SNLL are:

- Low entry price at up to a 40% discount. So if the property price was \$350,000, their entry price is \$210,000.
- After payment of entry price there are no ongoing cash costs – ie no rates, taxes, maintenance costs, property insurance
- No exit fees
- Properties located in general urban area close to transport and amenities– not restricted to a "Village"

The SNLLs are basically designed to allow seniors/retirees to downsize and free up capital and minimise ongoing property related expenses.

The attraction for investors buying these properties is that they are:

- Secured with effectively a 40-year lease term. (Tenants can vacate at any time but must give 6 months' notice, allowing ample time to replace with a new SNLL tenant, should the owner desire).
- SNLL tenant has paid a sum equal to 60% of the purchase price into the Sterling Income Trust. This amount acts both as a bond, and the income pays all the rent, so an owner has a bond of perhaps \$210,000 (using the example above) invested in the Sterling Income Trust to cover for any property damage etc.

Since the launch of SNLL in December 2015 and having taken over 2 years of development, it has proven to be very popular with prospective tenants and investors alike.



STRUCTURE

The SIT is a unit trust, registered as a managed investment scheme. Theta is the Responsible Entity, AET is the independent Custodian and SCS is the investment manager.

The SIT has four wholly owned sub trusts, the RMA Holding Trust, the First Mortgage Trust, the Property Development Trust and the Management Company Share Trust. The trustee of the RMA Holding Trust is RMAPL and the trustee of each of the First Mortgage Trust, the Property Development Trust, and the Management Company Share Trust is SCS. RMAPL and SCS are wholly owned subsidiaries of Sterling First.

The SIT offers four classes of Units - Income Units, First Mortgage Units, Development Units and Management Company Units.

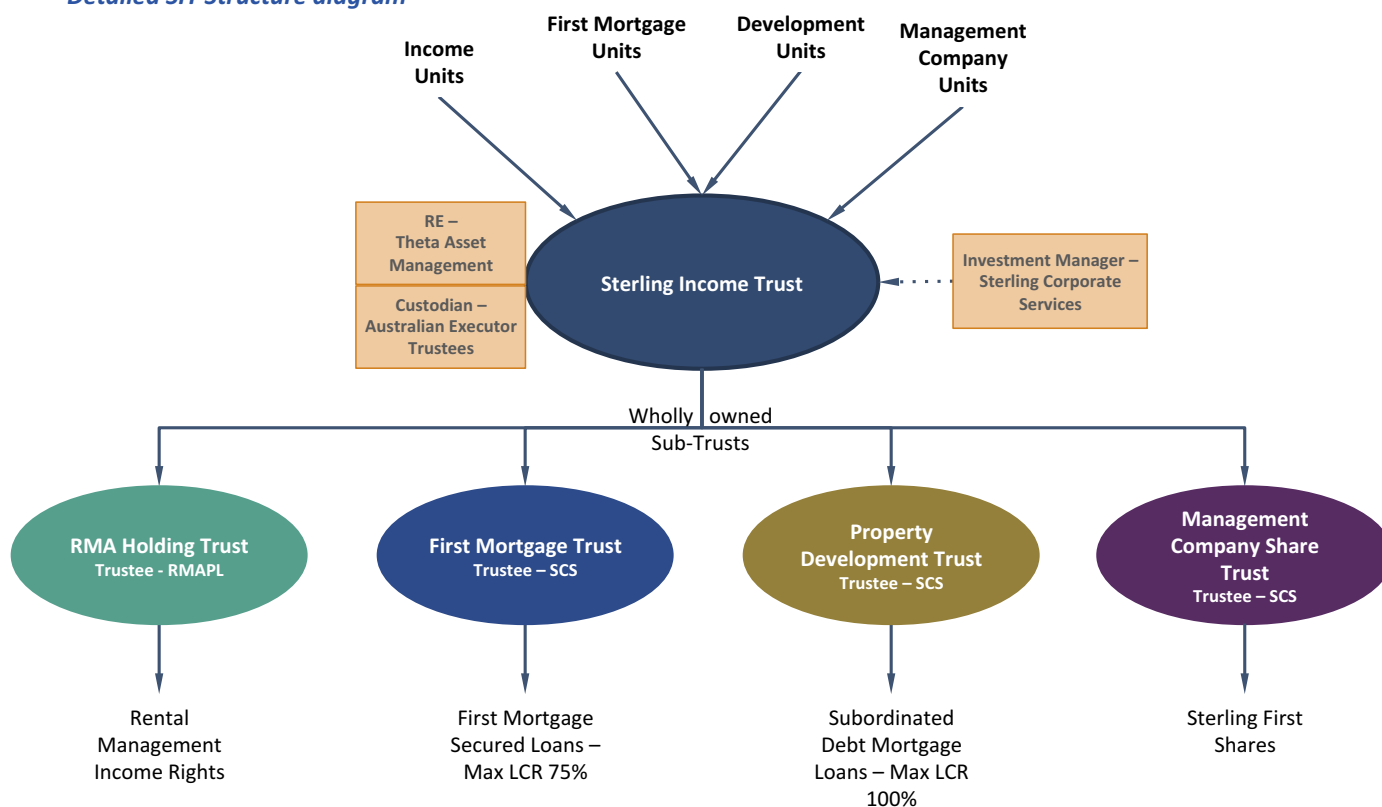
Income Units - this class invests in the RMA Holding Trust the assets of which comprise predominantly of rental management agreements.

First Mortgage Units - this class invests in the First Mortgage Trust which in turn invests in first mortgage loans.

Development Units - this class invests in the Property Development Trust which in turn invests in first and subordinated mortgage loans.

Management Company Units - this class invests in the Management Company Share Trust which in turn invests in shares in Sterling First.

Detailed SIT Structure diagram



FINANCIAL INFORMATION

The first issue of First Mortgage Units was on 1 July 2015. Since commencement it has made one distributions to First Mortgage Unit Unitholders as follows:

Quarter to 31 December 15	Quarter to 31 March 16
1.975 cents per Unit	1.975 cents per Unit

Distributions up until the quarter ended 31 March 2016, and paid on 30 April 2016, have been paid quarterly. From April 2016, distributions will be paid monthly no later than the 15th of each month. The first monthly distribution will be paid on the 15th May 2016 for the month ended 30 April 2016.

Unitholders should note that any references in this PDS to past performance is not a reliable guide to future performance.

Annual audited accounts have been prepared for the periods ending 30 June 2013, 30 June 2014, and 30 June 2015 which can all be downloaded at www.sitfund.com.au. These accounts reflect the performance of the Income Units. A set of audit reviewed accounts for the six month period ending 31 December 2015 will be made available for download from the website soon. The next set of audited accounts will be prepared for the year ending 30 June 2016, and will be able to be downloaded from the website in due course. These accounts will reflect the performance of all classes of units, as appropriate.

First Mortgage Units

Subscription monies for First Mortgage Units are advanced to a wholly owned sub-trust of the SIT, the First Mortgage Trust which is a mortgage lending trust. It can only advance funds to be used to acquire and construct residential housing or hold residential housing.

The maximum lending limit for development properties is 75% of the total cost of buying and constructing a dwelling, and must not exceed 65% loan to as if complete value and for complete dwellings that are available for occupancy, the loan must not exceed 80% of the LVR.

The balance of the funding of the total cost may come from a combination of sources:

1. Equity - borrowers may provide some of the total cost which will be provided in the form of equity.
2. Property Development Trust funding - in some cases a junior debt facility from the Property Development Trust will be used to fund part of the total cost. In these cases the Property Development Trust will take a subordinated mortgage over the property, meaning its security will rank behind the First Mortgage Trust.
3. Builder Funding - in some cases a builder will fund some of the construction costs to completion. Only in cases where the requirements of the builder do not require a first mortgage will the First Mortgage Trust advance funds. In those cases, the builder's funding will rank behind the First Mortgage Trust.

The lending arrangements between the First Mortgage Trust and the borrower is governed by a facility agreement. All loans made by the First Mortgage Trust must be on the terms set out in the Master Facility Agreement or very similar. The specific loans made by the First Mortgage Trust each be accompanied by a:

- Loan or Facility Agreement
- Mortgage Document - covering each property
- General Security Agreement, giving the First Mortgage Trust a fixed and floating charge over the relevant sub trust; and
- Deed of Priority with the sub debt provider, giving the First Mortgage Trust its security priority.

GENERAL**Investment Policy**

First Mortgage Units invest in the First Mortgage Trust and some cash.

First Mortgage Trust

The First Mortgage Trust makes secured loans for the acquisition and construction of residential properties or the holding of residential property.

Investments are made according to the following strategies and investment criteria:

- Loan and security documents are in place.
- LCR and LVR do not exceed the prescribed levels for the First Mortgage Trust - 75% and 65% respectively for a development property and 80% LVR for a completed property available for occupancy.
- Loan terms must be in accordance with the terms set out in this PDS.

Income Distributions – Monthly

First Mortgage Units derive their distributions from the First Mortgage Trust. It is intended that distributions will be made monthly.

The First Mortgage Trust generates income through interest on loans to sub trusts of the SSPT. Under the loan agreements, interest must be paid monthly.

A distribution from the First Mortgage Trust will equal the free cash flow of the First Mortgage Trust. The free cash flow is calculated as follows:

Gross income, less costs of managing the First Mortgage Trust.

A distribution to the First Mortgage Unitholders is then calculated as follows:

Distribution = Distribution received from First Mortgage Trust less the Relative Costs of managing the SIT, where

Relative Costs of managing the SIT = the Responsible Entity fees, Custodian fees, Investment Manager fees, accounting and tax fees and any other fees associated with running the SIT divided by the total number of SIT units on issue multiplied by the number of First Mortgage Units on issue.

Information on historical distributions paid in relation to the Income Units can be found on pages 6 and 16. For up to date information on distributions paid by the SIT please refer to www.sitfund.com.au. When reviewing historical rates of distribution, remember they are not a reliable guide to future rates of distribution. Distributions may be higher or lower or even nil.

Distributions and capital are not guaranteed.

YOUR INVESTMENT AND RISKS**About risk and return**

All investments are subject to varying risks and the value of an investment can decrease as well as increase (i.e. you can experience investment gains or investment losses). Changes in value can be significant and they can happen quickly. Different types of investments perform differently at different times and have different risk characteristics and volatility.

These are some of the reasons why you should consider investing in different types of investments (often called diversification).

The significant risks for the SIT generally, as well as the First Mortgage Units, are discussed below. Theta and SCS cannot eliminate all risks and cannot promise that the way they manage them will always be successful.

If these risks happen, Unitholders' distributions may be lower than expected or there may be none, and the value of an investment could fall.

Income Distribution Risk

The SIT receives its First Mortgage Unit income by way of distributions from the First Mortgage Trust.

The First Mortgage Trust derives its income from interest earned on secured loans made to the various sub trusts of the SSPT. Distributions may be affected by the ability of the borrowers to meet their obligations under the loan agreements which will impact on the financial performance of the First Mortgage Trust.

The First Mortgage Units have a target distribution rate. The table below sets out factors which may impact on the distribution rates for the First Mortgage Units.

Distributions Risk	Change Risk	Sensitivity Analysis
Borrower Risk	A specified borrower fails to meet payment obligations or otherwise meet the terms of the Facility Agreement or has other financial difficulties.	This would have an immediate impact on the First Mortgage Unit returns. The ability of the borrower to meet its obligations may be effected by the ability of SNL to sell SNLL on a particular property. Whilst every effort is made by the SCS to pre vet a particular property's saleability, the speed with which a property is sold is out of the Investment Manager's control.
Funds Deployment Risk	Funds are subscribed for the First Mortgage Units faster than they can be advanced to a sub trust of the SSPT, resulting in surplus funds being under utilised for a period of time.	This would have an immediate impact on the First Mortgage Unit returns being the difference between the prevailing bank deposit rate at the time, and the lending rate on the facilities. SCS will remain in constant contact with the borrower and try and manage fund supply to fund demand.

The distributable income for the First Mortgage Units is determined as detailed on page 17. If the respective sub trust or the SIT's expenses are less than anticipated, the income distributed to Unitholders may be higher than the target distribution rates.

A Unitholder will receive any distributions from the SIT after the costs of managing the SIT have been deducted. Refer to pages 22 and 23 for information on the cost of managing the SIT.

Unitholders should note that any reference in this PDS to past performance is not a reliable guide to future performance. Any reference to target distribution rates are based on the interest rates payable under the Master Facility Agreements for loans to be advanced by the SIT, the estimated operating costs of the SIT and its investments and the historical performance of the underlying investments. No distribution rate is guaranteed. Returns may be more or less than historical returns and the target returns stated.

Market Risk

Economic, technological, political or legal conditions, changes in interest rates and even market sentiment, can (and do) change, and these all affect the value of the investments in the SIT.

Investment Manager Risk

SCS may fail to perform under the Investment Management Agreement, in which case Theta will take all necessary action to safeguard Unitholders' funds.

Key Person Risk

Only a small number of investment professionals are responsible for managing the SIT and their personal circumstances can change.

SCS aims to reduce this risk by having additional investment resources available, by increasing the size of the investment team over time and by systematising the investment decision making.

SIT Risk

Risks particular to the SIT include that it could be terminated at a date the Responsible Entity decides, the fees and expenses could change (although the Responsible Entity would always give you at least 30 days' notice if fees were to increase), Theta could be replaced as Responsible Entity and its management and staff could change. However the Responsible Entity has duties under the Corporations Act to act in the best interest of Unitholders.

Liquidity Risk

The SIT is an illiquid fund, and as such, a limited redemption facility may be offered to Unitholders and no secondary market exists. Therefore Unitholders may be unable to liquidate their investments as and when they require. However, it is expected Unitholders may be made a Conditional Redemption Offer periodically (refer to pages 5, 6, 9 and 20).

The Conditional Redemption Offers will be funded out of new equity, surplus working capital or the sale of assets of the various sub trusts. There is a risk that the SIT will not be able to access sufficient capital during this period to meet all Conditional Redemption Offers. If this occurs, Unitholders may not be able to redeem their Units.

Taxation Risks

Any change in taxation laws or rates (including any duties and imposts) in jurisdictions in which the SIT operates may impact on:

- the SIT's financial performance and cash flows; and
- the SIT's ability to pay distributions and dividends.

Any changes in the current rates of taxation, duties or imposts applying to individuals and trusts will similarly impact on Unitholder returns.

Whilst all care has been taken to determine the accounting treatment of the income and capital growth associated with this investment, each Unitholder should seek their own tax advice in relation to their Unitholding.

Multi class risk

The SIT will issue multiple classes of units. As at the date of this PDS, the SIT intends to issue four classes of units, being the Income Unit class, First Mortgage Unit class, Development Unit class and the Management Company Unit class of units. The SIT may offer more classes of units in the future.

Each class is referable to a particular pool of assets and liabilities held within the SIT. When you invest in a particular class of Units, you acquire an interest in, and therefore exposure to, the assets relevant to that class. The assets and liabilities of the SIT are attributed to the relevant classes and are administered separately so the Unit price and performance of each class is independent of each other.

However, legally the assets and liabilities of a particular class are the assets and liabilities of the SIT as a whole. As such, if the SIT becomes insolvent, all classes of units will be affected, and if a particular class of units becomes insolvent then creditors may make a claim for all of the assets in the SIT and not just the assets of the insolvent class of units.

Stamp Duty

The SIT seeks legal advice as to the impact of stamp duty on all acquisitions. Such opinions may however be subject to challenge by the relevant state government revenue office.

Specific Risks for the First Mortgage Unit class**Secured Loan Risk**

The First Mortgage Trust will be making secured loans. The financial performance of the First Mortgage Trust is reliant on the ability of the borrowers to meet their obligations under the loan agreements. Any shortfall not covered by the sale of the security property or lender's mortgage insurance (if applicable) may result in a loss of income or capital to the First Mortgage Trust. The ability of the underlying trust to pay distributions to the SIT is dependent on its financial performance and is not guaranteed.

Concentration Risk

This is the risk that loans are highly concentrated to particular types of activities, locations or borrowers. For example, all loans advanced are for the purposes of acquiring and constructing properties for the SSPT.

Valuation Risk

This is the risk that the valuation of the secured property obtained by the First Mortgage Trust is not reflective of current market property values. If the valuation is overstated, the property value at time of sale may not fully cover the amount borrowed. Valuations are fundamental to determining how much the First Mortgage Trust may lend.

Interest rate risk

Changes in interest rates will have a positive or negative impact directly or indirectly on investment values, returns and consequently the level of income paid to the SIT.

HOW TO INVEST

You can invest from \$2,000 and thereafter in \$500 increments. Complete a current Application Form and send it to the Investment Manager's office (the Application Form is attached to this PDS):

Registry Direct
PO Box 18366
Collins Street East, VIC 8003

Cheques should be made payable to Sterling Income Trust – Application Account.

If paying by Electronic Funds Transfer the banking details of the Application Account is as follow:

Account Name: Theta Asset Mgt Ltd atf SIT
Application Account
Bank: NAB
BSB: 082-080
Account: 14-595-6791

Any interest earned on application monies is credited to the benefit of the SIT.

COOLING-OFF RIGHTS

Cooling-off rights do not apply to an investment in Units pursuant to the Offer. This means that you cannot withdraw your Application once it has been accepted.

APPLICATION PRICE

The Application Price for the First Mortgage Units is determined by the Responsible Entity, in accordance with the Constitution, at the time an application is processed. Up until 30 April 2016, the issue price of Units under this offer will be \$1.00 per unit. Thereafter (or at such other time as the Responsible Entity determines), the issue price ("Current Unit Price") is determined with reference to the net asset value of the relevant class of units and the number of Units in that class on issue.

The net asset value will be calculated by determining the gross assets value being the sum of:

- 1 the value of the assets of the relevant class; and
- 2 any other amounts which, in the opinion of the Responsible Entity should be included for the purpose of making a fair and reasonable determination of the value of the assets of the relevant class on an undiscounted basis, having regard to generally accepted accounting principles.

Less the following:

- 1 all amounts required to meet liabilities and to meet all costs (including the amount of any provisions, including contingent liabilities, the Responsible Entity determines, in consultation with the auditor, should be made) but excluding liabilities (if any) to Unitholders in respect of Units; and
- 2 following any distribution calculation date, the amount of any distributable amount payable but not paid to Unitholders on the day on which the net asset value is determined.

The Current Unit Price will be determined on each month end at 5.00pm (WST) and published on www.sitfund.com.au. Applications will be processed each Monday based on the previously published Current Unit Price.

The Responsible Entity has a documented policy in relation to the guidelines and relevant factors taken into account when calculating Unit prices (called the Unit Pricing Policy). The Responsible Entity keeps records of any decisions which are outside the scope of the unit pricing policy, or inconsistent with it. A copy of the unit pricing policy and records is available free on request.

REDEMPTION OF UNITS

The SIT is not listed on any securities exchange, and is considered an illiquid investment. There is no guaranteed redemption of Units, however Unitholders may be able to redeem their Units via a Conditional Redemption Offer, which will be made to Unitholders at the discretion of the SIT.

The First Mortgage Unit Redemption Offers are expected to be funded out of either, new equity raised or returned loan funds. There is no guarantee however, that there will be sufficient funds available to meet the redemption requests in full or in part.

Being an illiquid investment, the Responsible Entity must comply with the Corporations Act when making any Conditional Redemption Offer (including duties around how such offers are made, to whom, how payments are to be dealt with and how offers may be cancelled).

Further details will be provided to Unitholders at the time that a Conditional Redemption Offer is made.

Application for redemption of units can be made when a Conditional Redemption Offer is available and by completing the "Redemption Application Form" attached to this PDS.

DISTRIBUTION PAYMENT

Distributions are payable by the SIT on the First Mortgage Units if a distribution is received from the First Mortgage Trust.

If distributions are payable the SIT will make the distribution not later than 15 days after the end of each month. Income distributions are not guaranteed.

CHANGES OF DETAILS

If you change any of your details, including contact details, distribution instructions, bank account details or account operating instructions, please advise us by contacting Registry Direct on 1300 55 6635. Alternatively, you can update your details online at www.registrydirect.com.au/investor, or in writing. Please send all correspondence to:

Registry Direct
PO Box 18366
Collins Street East, VIC 8003

In all likelihood you will need to pay tax in relation to your investment in the SIT, generally income or capital gains tax, but you might be able to claim some tax credits or have the benefits of some concessions.

Your tax liability ultimately depends on your circumstances, for example, whether you are an Australian resident or whether you are investing via a superannuation fund. Therefore, it is important that you seek professional advice before you invest or deal with your investment.

Theta will send you the information you need each year to help you to complete your tax return.

Will I be liable to pay tax on money I receive from the SIT?

Probably yes, whether the money is actually paid to you or reinvested.

The tax impact for you depends on what makes up the distributions. Distributions could comprise:

- income (like dividends and interest);
- net taxable capital gains (from the sale of the SIT's investments); and
- tax credits (like franking credits attached to dividend income).

Do I need to give you my tax file number (TFN) or Australian business number (ABN)?

It is up to you, but we recommend it strongly.

If you choose not to provide us with your TFN or ABN and you do not have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before passing on any distribution to you. The law is very strict on how we can use these details. It is not compulsory to provide a TFN or ABN and it is not an offence to decline to provide them. To avoid withholding tax being applied to your account, applicants may include a TFN or ABN, as applicable, when completing the Application Form.

Does the SIT have to distribute taxable income?

The terms of the Constitution provide that the taxable income of the SIT must be distributed to Unitholders. This means the SIT should not be liable for income tax on its income. Any income distributed to Unitholders must be included in the taxable income of the Unitholder.

Does the SIT pay tax?

The SIT is not expected to be taxed as a company.

Fees and Other Costs

The following is a general disclosure required pursuant to the Corporations Act in relation to the SIT.

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 account balance rather than 1% could reduce your final return by up to 20% over a 30 year period.

(for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

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

TO FIND OUT MORE

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

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money or from the returns on your investment or from the assets of the SIT 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.

Sterling Income Trust		
Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the SIT		
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
Exit fee: The fee to close your investment	Nil	Not applicable
Management costs The fees and costs for managing your investment		
Administration and investment costs	<p>An Investment Manager's Fee being 1% per annum of the FUM.</p> <p>A Responsible Entity fee being the greater of \$50,000 or 0.15%* per annum of the FUM.</p> <p>An annual audit management fee up to \$7,500.</p> <p><i>For a worked dollar example of the fees, see "Example of annual fees and costs" on page 23.</i></p>	<p>Payable quarterly in arrears from the SIT assets.</p> <p>Payable quarterly in arrears from the SIT assets.</p> <p>Payable annually in the December quarter from the SIT assets.</p>
Recoverable expenses	<p>SIT expenses, other than Administrative and investment cost, are estimated to be approximately \$65,000.</p> <p><i>For a worked dollar example of the fees, see "Example of annual fees and costs" on page 23.</i></p>	<p>Paid as incurred. This amount is paid from the SIT assets. Please refer to 'Additional explanation of fees and costs' on page 23 for more information.</p>
Service Fees		
Switching fee: The fee for changing investment options	Nil	Not applicable

* \$1,500 per \$1,000,000 gross value of the SIT

Fees and Other Costs

Additional explanation of fees and costs

Recoverable expenses

There is no limit on the total amount of expenses that can be recovered provided such expenses are properly incurred. The next full financial year's operations expenses are estimated to be \$300,000, made up of administrative and investment costs of approximately \$235,000, and recoverable expenses of \$65,000. These expenses include, but are not limited to audit fees, insurance, accounting fees and ASIC fees.

Can fees be different for different investors?

No, all Unitholders are subject to the same fee structure.

Can the fees change?

Yes, all fees can change. Reasons might include changing economic conditions and changes in regulation. The Constitution for the SIT sets the maximum amount Theta can charge for all fees. If Theta wished to raise fees above the amounts allowed for in the SIT Constitution, Theta would need the approval of Unitholders. Theta will give you 30 days written notice of any proposed increase to the fees (but not expenses) as stated in the PDS.

The Responsible Entity Fee and audit management fee are subject to annual review and CPI adjustment.

Government charges and taxation

Government taxes such as GST will be applied to your account as appropriate. In addition to the fees and costs

described in this section, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate.

These fees are included in the fees outlined in the tables. Please note the fees in the tables do take into account any reduced input tax credits which may be available so the fees may be overstated in some cases.

Buy/Sell spread

No buy/sell spread is payable on acquisition or disposal of Units.

Alternative Remuneration

The SIT does not pay commissions to financial advisers. Subject to the law, Theta may make product marketing payments out of the administration and investment costs. These are not additional amounts borne by Unitholders. They are paid entirely by us, either as a cash payment or in the form of additional Units which we purchase.

Example of annual fees and costs

This table gives an example of how the fees and costs for this managed investment product can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

EXAMPLE		Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution Fees	0%	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	2.01%*	And , for every \$50,000 you have invested in the SIT you will be charged \$1,005 each year**.
EQUALS Cost of SIT	2.01%*	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$1,005*** .

* Based on FUM of \$14,980,858.

**These fees are paid directly by the SIT. Any distributions paid by the SIT are paid after payment of all Management Costs.

***The Corporations Act requires that when calculating management costs in this table, Theta must not include contributions made during the year or allow for any positive performance that may occur (e.g. Theta must assume that the value of the investment remains at \$50,000 and the Unit price does not fluctuate). Please be aware that management costs actually incurred will depend on the market value of the investment and the timing of any contributions (including any reinvestment of distributions) during any 12 month period.

SUMMARY OF MATERIAL AGREEMENTS**Investment Management Agreement between Theta and SCS**

Key provisions include:

1. Parties: Theta in its capacity as Responsible Entity of SIT and SCS.
2. The agreement is for a term of 5 years commencing on 6 November 2012. If at the end of this period the agreement is not extended (or replaced by a new agreement between the parties), Theta can perform itself the functions it previously appointed SCS to perform, or engage another party to act on its behalf. Alternatively, a new responsible entity may be appointed by Unitholders pursuant to an extraordinary resolution, in accordance with the procedure outlined in paragraphs (3)(d) and (6)(d) below.
3. Theta:
 - (a) Appoints SCS to act as Investment Manager and manage the SIT's assets and prepare any PDS and promotional material for the SIT on behalf of Theta.
 - (b) Has various duties and obligations with respect to the SIT and its assets and liabilities, preparing the SIT's compliance plan, establishing the SIT's compliance committee, maintaining an AFSL and reviewing, commenting, approving and issuing any PDS or promotional material.
 - (c) May be requested by SCS to resign as responsible entity of the SIT. This will result in Theta calling a meeting of Unitholders, so the Unitholders can decide whether or not to give effect to the request. Unitholders must vote on an extraordinary resolution to choose a new responsible entity before Theta can be replaced. The notice of meeting materials provided to Unitholders will explain the reasons for the proposed change of responsible entity. The extraordinary resolution must be passed by at least 50% of the total votes that may be cast by Unitholders entitled to vote (including Unitholders who are not present in person or by proxy), in order to change the responsible entity.
 - (d) Can vary decisions of SCS (as Investment Manager) that in the opinion of Theta would contravene or be likely to contravene, or breach duties and obligations under, the law, the SIT's Constitution, Compliance Plan or PDS, or Theta's AFSL, or would not be in the best interests of Unitholders.
 - (e) Holds through the Custodian all property and rights attached to the SIT.
4. SCS (as Investment Manager, acting on behalf of Theta) has certain functions, duties and obligations with respect to managing the SIT assets and any SIT PDS and promotional material. When a distribution is paid by the First Mortgage Trust to the SIT, SCS will perform necessary reconciliations and liaise with the Custodian to enable distributions to be made to Unitholders. SCS will also prepare any SIT PDS or promotional material, and obtain legal sign-off, on behalf of Theta, and must also provide specified reports for Theta.
5. SCS is entitled to be reimbursed for all out of pocket expenses, and will be paid a fee per annum equal to 1% of FUM.
6. SCS is required to provide regular reports to Theta in relation to the SIT, its assets, any conflicts of interest (actual or perceived) and other compliance matters on a monthly, quarterly and annual basis.
7. Termination:
 - (a) Either party may terminate the agreement by giving three months notice.
 - (b) Either party may terminate the agreement immediately upon the occurrence of a termination event (such events being broadly in line with industry standard termination events) or if Theta ceases to be the Responsible Entity of the SIT.
8. The Investment Management Agreement contains standard provisions including those relating to confidentiality, warranties and indemnities and insurance.
 - (c) If SCS terminates the agreement without giving notice where Theta is not in breach, SCS must pay Theta a fee (this fee is not payable out of SIT Assets).
 - (d) Theta may terminate the agreement if it is required to do so by law.
 - (e) If Theta terminates the agreement when it is not required to do so by law, or SCS terminates the agreement, then Theta will call a meeting of Unitholders to vote on a resolution to remove Theta as Responsible Entity, so the Unitholders can decide whether or not to give effect to the request. Unitholders must vote on an extraordinary resolution to choose a new responsible entity before Theta can be replaced. The notice of meeting materials provided to Unitholders will explain the reasons for the proposed change of responsible entity. The extraordinary resolution must be passed by at least 50% of the total votes that may be cast by Unitholders entitled to vote (including Unitholders who are not present in person or by proxy), in order to change the responsible entity.
 - (f) If SCS does not consent to its removal as Investment Manager, a fee equivalent to 3% of FUM must be paid to SCS (this fee is not payable out of SIT Assets).
 - (g) If Theta does not consent to its removal as Responsible Entity, a fee equivalent to 0.15% of FUM must be paid to Theta (this fee is not payable out of SIT Assets).

KEY AGREEMENTS

Master Facility Agreement between First Mortgage Trust and Acquest Property atf the SSPT Master Development Trust ("SMPD")

First Mortgage Trust agrees to lend funds to SMPD on the following terms:

- 1 Termination date - 1 July 2035 or such later date as agreed in writing, from time to time, by the parties.
- 2 Approved purpose -
 - 1 Development Property The purchase and refurbishment or construction of residential property for either sale or lease.
 - 2 Hold Property - The holding of completed residential property available for occupancy.
- 3 Interest rate - 9.9% pa
- 4 Interest periods - monthly
- 5 Lending Limits -
 - 1 Development Property - LCR Limit - 75%, LVR Limit - 65%
 - 2 Hold Property - LVR Limit - 80%
- 6 Security - first ranking mortgage on each property acquired and first ranking general security agreement
- 7 Repayment - by agreement on each advance.

DISCLOSURE OF INTERESTS

Other than as stated in this Section 8 and elsewhere in this PDS:

- Theta is entitled to receive the fees set out on page 22.
- SCS is the Investment Manager of the SIT.
- RMAPL (the trustee of the RMA Holding Trust) is a wholly owned subsidiary of Sterling First, the holding company of SCS.
- Ray Jones, a director of SCS, currently holds directly and beneficially 235,000 First Mortgage Units.
- Brian Ruzich, a director of SCS, currently holds directly and beneficially 200,000 First Mortgage Units.
- Ken Pratt, a director of SCS, currently holds directly and beneficially 0 First Mortgage Units.

The top 20 First Mortgage Unitholders as at the date of this PDS are:

No.	Unitholder	Unitholding	%
1	Taysum Pty Ltd	235,000	54.1%
2	Wintersweet Nominees Pty Ltd	200,000	45.9%
	Units on Issue	435,000	100.0%

SIT Constitution

In addition to the information set out at page 13 of this PDS, key provisions of the Constitution include:

- holding of assets on trust for Unitholders;
- application price for any securities to be issued;
- application procedures for Unitholders;
- valuation of assets;
- income and distributions payable to Unitholders;
- powers of the Responsible Entity;
- issuing of notices to Unitholders;
- meeting of Unitholders;
- rights and liabilities of the Responsible Entity;
- remuneration and expenses of the Responsible Entity;
- duration of the SIT;
- compliance committee;
- complaints procedure; and
- an ability (but not obligation) to list the SIT on the ASX.

Disclosure of Directors' Interests - Responsible Entity

Other than as stated below and elsewhere in this PDS:

- No amount has been paid or agreed to be paid and no benefit has been given or agreed to be given to a director, or proposed director of the Responsible Entity to induce them to become, or qualify as, a director;
- None of the following persons:
 - a director or proposed director of the Responsible Entity;
 - each person named in this PDS as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this PDS; or
 - a promoter of the SIT;

holds or has held at any time in the two years before issue of this PDS, an interest in the formation or promotion of the SIT, business acquired or proposed to be acquired by the SIT in connection with its formation or promotion, or was paid or given or agreed to be paid or given, any amount or benefit for services provided by such

persons in connection with the formation or promotion of the SIT, except as set out elsewhere in this PDS and below.

The directors of the Responsible Entity currently receive remuneration in their capacity as directors of Theta and none of the directors are remunerated directly by the SIT.

None of the directors of the Responsible Entity currently have an interest held either directly or indirectly in Units in the SIT.

Directors may purchase Units through subsequent offers made by the SIT.

No director received or became entitled to receive any benefit because of a contract made by the SIT with a director or with a firm of which a director is a member, or with an entity in which the director has a substantial interest.

OTHER COMPLIANCE INFORMATION**The Compliance Plan and Compliance Committee**

As required by law, Theta has prepared and lodged with ASIC, a Compliance Plan for the SIT which sets out measures that Theta shall apply in operating the SIT to ensure compliance with the Corporations Act, and the SIT's Constitution.

The Compliance Plan identifies the personnel or service providers structure of Theta and the duties of Theta as a whole, as well as the duties and the procedures and systems for Theta to implement concerning various aspects of the management function, including:

- the meetings and reports of the Compliance Committee;
- the engagement of external service providers;
- the safe keeping and inspection of records;
- the maintenance and audit of books of accounts;
- the valuation of the property;
- reporting to Unitholders;
- the borrowings of the SIT;
- managing conflicts of interest; and
- handling, collecting and dealing with money received for the SIT.

The Compliance Committee has been established to monitor compliance by Theta with the Compliance Plan and Constitution and report to Theta on a regular basis regarding its adherence to the Compliance Plan, the Corporations Act and the SIT's Constitution.

The Compliance Committee is to report to ASIC if Theta does not address any issues raised in an adverse report issued to Theta. The Compliance Committee is currently comprised of 3 members, with at least two thirds of the Committee being 'external' in accordance with s601JB of the Corporations Act.

Additional Information

The Responsible Entity's Financial Capacity

There are strict financial obligations to which a Responsible Entity must adhere under its AFSL issued by ASIC. Theta must maintain a minimum level of net tangible assets ("NTA") to meet this criteria. In accordance with the Compliance Plan, Theta's financial capacity is monitored at least monthly.

Theta has engaged an external Custodian who must maintain minimum NTA of \$10 million at all times.

Professional Indemnity and Fraud Insurance

As at the date of this PDS, Theta has an insurance policy covering professional indemnity, to an amount of \$2,000,000 per claim with an aggregate cap of \$5,000,000 per annum.

Conflicts of Interest and Related Party Transactions

It is not intended that the Responsible Entity (on behalf of the SIT), will invest in, or provide any loans or guarantees to, its related parties apart from its investment in the RMA Holding Trust, First Mortgage Trust, Property Development Trust, and the Management Company Share Trust (each being wholly owned trusts of the SIT). Theta has a policy for dealing with related party transactions. This policy is designed to meet its obligations under the Corporations Act.

The Compliance Committee of Theta oversees the management of any conflicts regarding related party transactions.

A conflict of interest policy has been adopted by Theta. It seeks to address potential conflicts of interest between schemes managed by Theta and any conflicts within the SIT generally.

Theta keeps a register of all potential conflicts of interest.

Sterling First is the holding company of the shares in SCS, the Investment Manager of the SIT.

SCS is the trustee of each of the First Mortgage Trust, the Property Development Trust and the Management Company Share Trust.

SCS is the holding company of Acquest Property Pty Ltd, the trustee of the borrowing entities.

Consents and Disclaimers

Sterling Corporate Services Pty Ltd has given and not before the date of this PDS withdrawn its consent to being named in this PDS in its paper and electronic form in the form and context in which the statements referring to it appear. Sterling Corporate Services Pty Ltd has not caused the issue of or in any way authorised this PDS and takes no responsibility for the issue of this PDS.

Sterling First has given and not before the date of this PDS withdrawn its consent to being named or any of its wholly owned subsidiaries to be named in this PDS in its paper and electronic form in the form and context in which the statements referring to it appear. Sterling First has not caused the issue of or in any way authorised this PDS and takes no responsibility for the issue of this PDS.

Disclosing Entity Reporting Requirements

Whilst not all of the Unit classes of the SIT has 100 Unitholders or more, management are treating it as a "disclosing entity" for the purposes of the Corporations Act. This means the SIT will become subject to regular reporting and disclosure obligations. Copies of any documents lodged with ASIC in relation to the SIT may be obtained from, or can be inspected at, an ASIC office or on SIT's website, www.sitfund.com.au. Unitholders have a right to obtain a copy, free of charge, in respect of the SIT, of the most recent annual financial report and any half-yearly financial report lodged with ASIC after that most recent annual financial report and any continuous disclosure notices given by the Responsible Entity. Any continuous disclosure obligations the Responsible Entity has will be met by following ASIC's good practice guidance via website notices rather than lodging copies of those notices with ASIC. Accordingly if the SIT becomes a disclosing entity and the Responsible Entity becomes aware of material information that would otherwise be required to be lodged with ASIC as part of its continuous disclosure obligations, the Responsible Entity will ensure that such material information will be made available as

soon as practicable on www.sitfund.com.au.

If you would like hard copies of this information, call Theta on +61 2 8012 0638 and it will send to you free of charge.

Privacy and Personal Information

Information provided by applicants on the Application Form is collected for the primary purpose of issuing Units in the SIT.

The information will also be used to forward to you periodic information relating to your investment in the SIT and from time to time provide to you information of a generic or marketing nature relating to the SIT. Your personal information will not be made available to any third party, other than as required by law and to service providers for permitted related purposes (for example, auditors, consultants and advisers) for the purpose of administering the investment.

By executing the Application Form, you provide your consent to the SIT to disclose your information to such service providers and to use your information for the purposes referred to above. If you wish to request access to your information or if you have any complaint in relation to the manner in which the SIT has handled your information, please contact Theta.

For more information relating to the SIT privacy policy please contact Theta on +61 2 8012 0638.

AET collects your personal information for primarily purpose of providing custodial services to the SIT responsible entity and for ancillary purposes detailed in the Privacy Policy. AET may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, the responsible entity, professional advisers, the land titles office and/or as otherwise instructed by the responsible entity. We are also permitted to collect and disclose your personal information when required or authorised to do so by law. AET is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with AET's Privacy Policy. The Privacy Policy contains information about how you may access or correct your personal information held by AET and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Privacy Policy at www.aetlimited.com.au/privacy.

Complaints Handling

Theta has procedures in place to properly consider and deal with any complaints received from Unitholders. Where a Unitholder has a complaint, at first instance, you should contact the Compliance Manager at Theta on 02 8012 0638 or write to Theta at PO Box Q423 QVB Sydney NSW 1230.

The Compliance Manager will generally acknowledge receipt of the complaint within two working days and make every effort to resolve the complaint within one month.

If your complaint is not resolved to your satisfaction you can contact the following independent external complaints resolution scheme of which Theta is a member:

Financial Ombudsman Service Ltd ("FOS")

GPO Box 3, Melbourne VIC 3001

Hours: 9am to 5pm AEST weekdays

Phone: 1300 780 808 or (03) 9613 7366

Fax: (03) 9613 6399

Email: info@fos.org.au - Website: www.fos.org.au

FOS can consider claims of up to \$500,000 (or higher if Unitholders and Theta agree in writing). FOS is only able to make a determination of up to \$280,000 per managed investment claim (excluding compensation for costs and interest payments). These monetary limits and FOS terms of reference do change from time to time. Visit the FOS website for further details.

In this PDS, the following definitions apply unless the context requires otherwise.

\$	Australian dollars
AFSL	Australian Financial Services Licence
Application	The application for Units pursuant to this PDS
Application Form	The application form attached to or accompanying this PDS
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange Limited
Compliance Plan	The compliance plan of the SIT as amended from time to time
Constitution	The Constitution of the SIT as amended from time to time
Corporations Act	The <i>Corporations Act 2001</i> (Cth)
Custodian or AET	Australian Executor Trustees Limited ABN 84 007 869 794 AFSL 240023
First Mortgage Trust	Sterling Corporate Services Pty Ltd ACN 158 361 507 as trustee for the First Mortgage Trust
FUM	Funds under management
Holding Statement	Holding Statement for the SIT
Investment Manager or SCS	Sterling Corporate Services Pty Ltd ACN 158 361 507
Investment Management Agreement	The agreement between Theta and SCS appointing SCS to manage the assets of the SIT.
LCR	Loan to Cost Ratio. This is a ratio used in real estate construction to compare the amount of the loan used to finance a project to the cost to build the project. If the project cost \$1 million to complete and the borrower was asking for \$800,000, the LCR would be 80%. The costs included in the \$1 million cost figure would be land, construction materials, construction labor, professional fees, permits and so on.
LVR	Loan to Value Ratio
Management Company Share Trust	Sterling Corporate Services Pty Ltd ACN 158 361 507 as trustee for the Management Company Share Trust
Master Facility Agreement	Master Facility Agreement between Property Development Trust and Acquest Property atf the SSPT Master Development Trust ("SMPD")
Property Development Trust	Sterling Corporate Services Pty Ltd ACN 158 361 507 as trustee for the Property Development Trust
Offer	The offer of First Mortgage Units in the SIT pursuant to this PDS
PDS	product disclosure statement
Rent Roll	A collection of RMAs operated as a property management business
Responsible Entity or Theta or we or us	Theta Asset Management Limited ABN 37 071 807 684, AFSL 230920

RMA Holding Trust	Rental Management Australia Pty Ltd ACN 160 167 108 as trustee for the RMA Holding Trust
RMAPL	Rental Management Australia Pty Ltd ACN 160 167 108
SIT	The Sterling Income Trust ARSN 158 828 105 or Theta as Responsible Entity for the Sterling Income Trust
SNLL	Sterling New Life Lease
Sterling First	Sterling First (Aust) Limited ACN 610 352 826
Sterling First group	The group of companies for which Sterling First is the holding company and includes, RMAD, RMAPL and SCS
Unit	A fully paid Unit in the SIT (e.g. a First Mortgage Unit issued pursuant to this PDS)
Unitholder	A holder of a Unit in the SIT

Application Details

Applications must be made on the Application Form attached to this PDS. An Application Form must not be handed to another person unless attached to, or accompanied by, the PDS.

Please complete all sections of the relevant Application Form. The following is a guide to completing the Application Form. If you have any questions, please phone Registry Direct on 1300 556 635 (Aust) or +61 3 9020 7935 (Int).

Instructions for Completing the Application Form

Amount Subscribed

Please insert the AMOUNT you wish to subscribe. Your application must be for a minimum of \$2,000 and thereafter in \$500 increments.

Investor Details

This must be either your own name/s or the name of a company. Trustees of a superannuation fund, trust, partnership or minor should also write their name/s in this area and put an account designation at Section C. Refer to the table entitled 'Correct Forms of Registrable Names' at page 31.

Account Designation

Registrations on behalf of a superannuation fund, trust, partnership or minor should indicate an account designation as per the examples in the table entitled 'Correct Form of Registrable Names' at page 31.

Tax File Number/s (TFN), Australian Business Number/s (ABN), Australian Company Number/s (ACN) or Exemptions

Please enter your TFN, ABN or ACN if a business account, or EXEMPTION CODE/S.

Where applicable, please enter the TFN and ABN/ACN for each joint applicant. Collection of tax file numbers is authorised by tax law and the Privacy Act 1988. It is not compulsory to provide your TFN. However, if you do not do so, tax will be deducted from your distributions at the top personal rate plus the Medicare levy. For more information about tax file numbers or available exemptions please contact your nearest the Australian Taxation Office.

Contact Details

Enter your MAILING ADDRESS for all future correspondence from the SIT in relation to your holding in the SIT. Please provide your TELEPHONE NUMBER/S, CONTACT NAME/S and EMAIL ADDRESS in case we need to contact you in relation to your Application.

Payment Details

If paying by cheque: Cheques must be crossed 'not negotiable' and made payable to "Sterling Income Trust Application Account".

Payment must be made in Australian currency. Cheques not properly drawn may be rejected. Please attach your

cheque securely to the Application Form.

If paying by Electronic Funds Transfer the banking details of the Application Account is as follow:

Account Name: Theta Asset Mgt Ltd atf SIT Application Account
Bank: NAB
BSB: 082-080
Account: 14-595-6791






Details of Bank Account to receive Income Distribution

Provide full details of the account, bank and branch in the spaces provided on the form.

Please note, distributions cannot be paid in the form of a cheque.

Note: Please read the declaration on the reverse of the Application Form before submitting.

colour coding on Application Form

	To be read by all subscribers
	To be completed by all subscribers
	To be completed for individual and individual trustee subscribers
	To be completed by companies and company trustee subscribers
	To be completed by trust subscribers

If a trust has an **individual trustee** - both the gold and purple sections will need to be completed.

If a trust has a **corporate trustee** - both the red and purple sections will need to be completed.

Application Details

Correct Form of Registerable Names

Only legal entities are allowed to hold Units in the SIT. Applications must be in the name(s) of natural persons, companies or other entities acceptable to the SIT. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registerable name may be included by way of an account designation if requested. Use the symbols < > as shown below to indicate an account designation.

Type of Investor	Application Form Ref.	Correct Form of Application	Incorrect Form of Application
Individuals Use given names in full, do not use initials	A	Mr John David Smith	J D Smith
Companies Use company name, do not use abbreviations	B	ABC Pty Ltd	ABC P/L or ABC Co
Trusts Use trustees personal names or corporate names, do not use name of trust	A/B C	Smith Co. Pty Ltd <Joan Susan Smith Family A/C>	Joan Susan Smith Family Trust
Superannuation Funds Use trustees personal names or corporate names, do not use name of the fund	A/B A C	Mr John David Smith Mrs Joan Susan Smith <Smith Super Fund A/C>	John and Joan Superannuation Fund
Partnerships Use partners full names, do not use the partnership name	A A C	Mr John David Smith Mrs Joan Susan Smith <Smith and Co A/C>	Smith and Co.
Minors (persons under 18) Use name of parent or guardian, do not use the name of the minor	A C	Mr John David Smith <John Smith Jnr A/C>	John Smith Jnr
Clubs/Incorporated Bodies/ Business Names Use office bearer names, do not use name of club etc	A C	Mr John David Smith <ABC Investors Club A/C>	ABC Investors Club

Application Details

Anti-Money Laundering and Counter Terrorism Financing

Applications to invest in the SIT are subject to the requirements of applicable anti-money laundering and counter terrorism financing laws and Theta's requirements.

Investors must provide verification of their identity. Please refer to the table on pages 32 and 33 to determine which documents you will need to provide. Applications will not be accepted into the SIT until this has been completed. In some instances, such as the case of determining the beneficial owner of the investor, Theta may request additional information. This must also be provided to proceed with the application.

Application monies must be given by cheque or electronic funds transfer originating from an Australian bank. If applicants wish to pay for their investment with a cheque drawn on a bank in another country or to transfer funds from a foreign bank, additional documentation may be requested and the application will not be processed until satisfactory documentation has been provided to us. Theta reserves the right to reject an application.

If you apply through a financial planner or other advisor, they may assist you to obtain the necessary documentation and provide it to us. If you apply directly and need assistance with the form or understanding the documentation requirements, you should contact the Registry Direct on

1300 556 635 (Aust) or +61 3 9020 7935 (Int) or check our website www.sitfund.com.au for details on what you need to provide.

Foreign Account Tax Compliance Act (FATCA)

FATCA is a US regulatory requirement that aims to deter tax evasion by US taxpayers. The Australian Government has entered into an Inter-Governmental Agreement (IGA) with the US Government for the exchange of US tax payer information. Under the IGA, financial institutions (including managed investment schemes) must report US tax payer information via the Australian Tax Office to the US IRS.

To meet these obligations, each investor must complete the FATCA Self-certification Declaration form included in the PDS at page 41.

Neither Theta nor the Manager are able to provide you with any tax or professional advice in respect of FATCA or the IGA and we encourage you to seek the advice of a tax or professional advisor in relation to completing the form.

New Direct Investors only

If you are not investing through a dealer, IDPS or other financial adviser, then you must provide the following documentation to the SIT along with the completed Application Form. This table contains a list of acceptable identification materials.

Individual	
Please provide the documentation from either A or B:	
A.	<p>A current original or certified copy of one of the following:</p> <ul style="list-style-type: none"> • an Australian driver's licence containing a photograph of the person • an Australian passport • an identification card issued by a state or territory of Australia that contains the date of birth and a photograph of the card holder, or • a foreign government, the United Nations or a United Nations agency issued passport or similar travel document containing a photograph and signature of the person.
B.	<p>A current original or certified copy of one of the following:</p> <ul style="list-style-type: none"> • an Australian birth certificate or birth extract • an Australian citizenship certificate • a pension card issued by Centrelink • a foreign driver's licence that contains a photograph of the person* • a citizenship certificate issued by a foreign government*, or • a birth certificate issued by a foreign government, the United Nations or a United Nations agency.
<p>Plus One of the following: An original or certified copy of a notice that contains the name and residential address of the person, and is:</p> <ul style="list-style-type: none"> • issued by the Commonwealth or a state or territory of Australia within the preceding 12 months that records the provision of financial benefits to the person • issued by the Australian Taxation Office within the preceding 12 months, and records a debt payable to or by the person by or to the Commonwealth, or • issued by a local government or utilities provider in Australia within the preceding 3 months that records the provision of services to that address or to that person. 	
<p>* This form of identification may need to be accompanied by an English translation prepared by an accredited translator.</p>	

Application Details

Individual acting in the capacity of a sole trader
Please provide the documentation for verification of individuals (listed above) and a business name search.
Company
Please provide the following: A search of the ASIC databases showing: <ul style="list-style-type: none">• the full name of the company• whether the company is registered as a proprietary or public company• the ACN• the address of the company's registered office• the address of the company's principal place of business• the names of each director (only provide if a proprietary company)• the names and addresses of each beneficial owner (only provide if a proprietary company that is not licensed and is not subject to regulation).
Trust (including Self-Managed Super Funds and other Superannuation Funds)
Please provide the following: <ul style="list-style-type: none">• for a registered managed investment scheme, regulated trust or a government superannuation fund:<ul style="list-style-type: none">- an ASIC search confirming the registration of the managed investment scheme, or- an extract from relevant legislation confirming registration of the government superannuation fund.• for all other trusts (including wrap trusts/master trusts/IDPS, SMSF) please provide the original trust deed or a certified copy or certified extract of the trust deed confirming the following:<ul style="list-style-type: none">- the full name of the trust- the type of trust- the country where the trust was established• For trusts other than an Australian registered managed investment scheme, regulated trust (e.g. SMSF or complying superannuation fund) or government superannuation trust, please provide<ul style="list-style-type: none">- the name of each beneficiary or details of the class of beneficiary- the name of the settlor of the trust (being the person(s) who settles the initial sum or assets to create the Trust <p>Note: if the trust is a unit trust (other than a registered managed investment scheme or regulated trust) then you will need to provide a certified extract of the trust register to confirm the name of each beneficiary.</p> <p>If the trustee is an individual, please also provide documentation required for individuals (listed on page 32).</p> <p>If the trustee is a company, please also provide documentation required for companies (listed above).</p>
Partnership
Please provide the following: <ul style="list-style-type: none">• a partnership agreement, certified copy or certified extract of the partnership agreement, or• a certified copy or certified extract of minutes of a partnership meeting showing:<ul style="list-style-type: none">- the full name of the partnership- the full business name of the partnership, as registered under any state or territory of Australia business names legislation- the country in which the partnership was established, and- the full name and residential address of each partner. <p>Please also provide the documentation required for individuals (listed on page 32) for one partner.</p>
Beneficial Ownership
For each beneficial owner please provide documentation required for individuals Note: A beneficial owner is an individual who ultimately owns 25 per cent or more or controls (directly or indirectly) the company. "Control" includes exercising control through the capacity to determine decisions about financial or operating policies; or by means of trusts, agreements, arrangements, understanding & practices; voting rights of 25% or more; or power of veto. If no such person can be identified then the most senior managing official/s of the company (such as the managing director or directors who are authorised to sign on the company's behalf) must be noted and identified. In the case of a trust, a beneficial owner includes the appointor of the trust (i.e. the person who appoints or removes the trustee(s)), the settlor of the trust, and beneficiaries with at least a 25% interest in the trust.

Application Details

Lodging the Application Form

The completed Application Form, FATCA Form and supporting identification documents should be forwarded to:

Registry Direct

Level 6, 2 Russell Street, Melbourne VIC 3000

PO Box 18366, Collins Street East, VIC 8003

Email: registry@registrydirect.com.au

Enquiries

FreeCall: 1300 556 635

Telephone: +61 3 9020 7935

Facsimile: +61 3 9111 5652

Web: www.registrydirect.com.au

Certified Copy of an Original Document

Certified copy means a document that has been certified as a true copy of an original document.

Certified extract means an extract that has been certified as a true copy of some of the information contained in a complete original document by one of the persons described in the sub-paragraphs below.

People who can certify documents or extracts are:

- a **lawyer** - a person who is enrolled on the roll of the Supreme Court of a State or Territory, or High Court of Australia, as a legal practitioner (however described);
- a **judge** of a court;
- a **magistrate**;
- a **chief executive officer** of a Commonwealth court;
- a **registrar** or **deputy registrar** of a court;
- a **Justice of Peace**;
- a **notary public** (for the purposes of the Statutory Declaration Regulations 1993);
- a **police officer**;
- a **postal agent** - an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- the **post office** - an **permanent employee** of The Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
- an **Australian consular officer** or an **Australian diplomatic officer** (within the meaning of the Consular Fees Act 1955);
- an **officer** with 2 or more continuous years of service with one or more **financial institutions** (for the purposes of the Statutory Declaration Regulations 1993);
- a **finance company officer** with 2 or more continuous years of service with one or more financial companies (for the purposes of the Statutory Declaration Regulations 1993);
- an **officer** with, or **authorised representative** of, a **holder of an Australian financial services licence**, having 2 or more continuous years of service with one or more licensees; and
- an **accountant** - a member of the institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership.

The eligible certifier must include the following information:

- Their full name
- Address
- Telephone number
- The date of certifying
- Capacity in which they are eligible to certify, and
- An official stamp/seal if applicable

The certified copy must include the statement, **"I certify this is a true copy of the original document"**.

For photographic documents, the certified copy must include the statement, **"I certify this is a true copy of the original document and the photograph is a true likeness"**.

Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

Application Form

Sterling Income Trust

(ARSN 158 828 105)

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON PAGE 30

This Application Form should be read in conjunction with the product disclosure statement dated 20 May 2016 ("PDS") prior to making an Application for Units as the PDS contains important information about the Sterling Income Trust and should not be passed on separately from the PDS. A person who gives another person access to the Application Form must give that person access to the PDS (and any Supplementary or Replacement PDS documents) at the same time and by the same means. Paper copies of the PDS (and any Supplementary or Replacement PDS document) and the Application Form will be provided free on request.

The offer relates to the offer of units in the Sterling Income Trust pursuant to the PDS dated 20 May 2016 issued by Theta Asset Management Ltd ABN 37 071 807 684 AFSL 230920. Unless otherwise specified, terms defined in the PDS have the same meaning in this Application Form.

If you are a new investor, please complete PART A: Investor & Investment Details section (being the first three pages), applicable sections of PART B: Investor Identification, applicable sections of PART C: FATCA Self-declaration and sign at PART D: Declaration and Signature.

Please send your completed Application Form and Identification Documents to:

Registry Direct
PO Box 18366
Collins Street East, VIC 8003

or

Registry Direct
Level 6, 2 Russell Street
Melbourne VIC 3000

PART A: INVESTOR & INVESTMENT DETAILS

SIT Investor Number (for existing unitholders)

If you are an existing investor, have there been any significant changes in your circumstances or Identification Documents since your last application?

Significant Changes – **No** – please complete your SIT Investor Number and the amount you wish to apply for on this page and PART D only.

Significant Changes – **Yes** – please complete each section of the Application Form as applicable to changes and complete PART D.

I/We apply for - Please note the minimum initial investment amount is \$2,000 and thereafter in \$500 increments

 First Mortgage Units

Full Name of Applicant / Company

Title (e.g.: Dr, Mrs) Given Name(s) and Surname or Company Name

Joint Applicant #2

Title (e.g.: Dr, Mrs) Given Name(s) and Surname or Company Name

Joint Applicant #3

Title (e.g.: Dr, Mrs) Given Name(s) and Surname or Company Name

Account Designation (e.g.: THE SMITH SUPER FUND A/C)

NEW APPLICANTS OR EXISTING UNITHOLDERS WHOSE DETAILS HAVE CHANGED, PLEASE ENTER YOUR ADDRESS DETAILS HERE:

Postal Address

Unit	Street Number	Street Name or PO Box
-------------	----------------------	------------------------------

Suburb/Town	State	Post Code
--------------------	--------------	------------------

Country

Contact Name	Contact Number ()
---------------------	------------------------------

Email Address

Application Form (Cont.)

PAYMENT DETAILS

Electronic Funds Transfer (EFT) to:

Bank: NAB
BSB: 082-080
Account: 14-595-6791
Account Name: Theta Asset Mgt Ltd atf SIT Application Account

All EFT payments must be accompanied by a notification email to offer@sitfund.com.au in order to ensure that the investor account is properly credited.

TAX DETAILS

You are not obliged to provide either your TFN or ABN but if you do not provide either your TFN or ABN and unless you claim a TFN exemption, you should be aware that the Responsible Entity will be required to deduct tax at the highest marginal tax rate (plus Medicare levy). By inserting the ABN and signing this Application Form, you declare that this investment is made in the course or furtherance of your enterprise. Collection of TFN information is authorised and its use and disclosure are strictly regulated by the tax laws and the Privacy Act 1988 (Cth).

Where the investment in the Fund is held jointly by 2 or more unitholders taxation details for each unitholder need to be provided. If there are more than 2 investors provide details on a separate sheet of paper and attach it to your Application Form. If you do not wish to disclose your TFN to a joint applicant, a separate form obtained from the Australian Tax Office to be used by you to provide this information to us or you may copy the section below including your investor number.

Joint Applicant #1

Are you a resident of Australia for taxation purposes? (Select one of the following options)

Yes - please complete the below
 No – please provide country of tax residence:

Tax File Number (TFN) or Australian Business Number (ABN):

Please indicate to whom this TFN or ABN belongs:

Company Trust or Superannuation Fund Individual
 Other – please specify:

Exemption Number (if applicable):

Joint Applicant #2

Are you a resident of Australia for taxation purposes? (Select one of the following options)

No – please provide country of tax residence:
 Yes - please complete the below

Tax File Number (TFN) or Australian Business Number (ABN):

Please indicate to whom this TFN or ABN belongs:

Company Trust or Superannuation Fund Individual
 Other – please specify:

Exemption Number (if applicable):

If there are more than 2 joint applicants, provide details on a separate sheet of paper and attached it to your Application Form.

Application Form (cont.)

DISTRIBUTIONS AND WITHDRAWAL PROCEEDS

Distributions and withdrawal proceeds are generally only paid to an Australian bank account and cannot be paid by cheque. By completing this section you confirm that any distributions and withdrawal proceeds sent by EFT to a designated bank account are sent at your risk insofar as the onus to provide bank account details rests solely on you.

Please pay distributions and withdrawal proceeds to the following bank account:

Bank	
Bank Branch	
BSB	Account Number
Account Name	

If you would like distributions and/or redemption proceeds to be paid into a bank account outside Australia please provide the following additional details (note that payment into such an account is entirely at the Responsible Entity's discretion):

Beneficiary Bank Address	
National Beneficiary Bank Clearing Code (if applicable)	Beneficiary Bank SWIFT Code
Intermediary Bank details (if applicable)	

NB: All payments will be remitted in AUD. You, the beneficiary will bear all currency exchange risk and any costs by overseas or intermediary banks.

PART B: INVESTOR IDENTIFICATION

If your investor type does not fall into any of the three investor categories in sections 1 - 3 below of this form, please contact SCS to enquire about what information and documentation is required for identification purposes under Anti-Money Laundering/Counter Terrorism Financing legislation.

Our verification procedure and requirements (including certified identification evidence) is included for your reference. If you are an existing investor making an additional investment, you may email your instruction to offer@sitfund.com.au. Existing investors whose details have changed must also complete the Identification Documentation section and send all documents to the SCS at the address below.

SECTION 1 - INVESTOR TYPE: INDIVIDUAL

Individual Joint Applicant 1 - Applicants name must match investors ID exactly

Full given name(s)	Surname	Date of Birth	
Residential Address (PO Box NOT acceptable)			
Unit	Street Number	Street Name	
Suburb/Town	State	Post Code	Country

Individual Joint Applicant 2 - Applicants name must match investors ID exactly

Full given name(s)	Surname	Date of Birth	
Residential Address (PO Box NOT acceptable)			
Unit	Street Number	Street Name	
Suburb/Town	State	Post Code	Country

If there are more than 2 joint individual applicants, provide details on a separate sheet of paper and attached it to your Application Form.

Application Form (Cont.)

SECTION 2 - INVESTOR TYPE: AUSTRALIAN & FOREIGN COMPANY

Please note, if you are an Australian Company acting as trustee of a fund, please also complete Section 3.

SECTION 2.1 - General Information

Full Name (as registered by ASIC or foreign registration body)

Registration Number - complete as appropriate

ACN

ARBN

Foreign body registration number

If foreign registration - Country

Name of foreign registration body

Registered Office Address (PO Box NOT acceptable)

Unit

Street Number

Street Name

Suburb/Town

State

Post Code

Country

Principal Place of Business (if any) (PO Box NOT acceptable)

Unit

Street Number

Street Name

Suburb/Town

State

Post Code

Country

SECTION 2.2 - Regulatory/Listing Details (select from the following categories which apply to the company and provide the information requested)

Regulated company (licensed by an Australian Commonwealth, State or Territory statutory regulator, such as Australian Financial Services Licensees, Australian Credit Licensees or Registrable Superannuation Entity Licensees)

Regulator Name

Licence Number

Australian listed company or Foreign listed company as defined in the IFSA/FPA Guidelines

Name of market/exchange

Majority-owned subsidiary of a listed company

Listed Company Name

Name of market/exchange

SECTION 2.3 - Company Type (select only one of the following categories)

Public - Regulated/listed-
Section 2 now complete

Public - Other - Go to Section
2.4 and 2.5 below

Proprietary/Private - Go to
Section 2.4 and 2.5 below

Other - Go to Section 2.4 and
2.5 below

SECTION 2.4 - Directors (for public - other, proprietary/private and foreign companies only)

Please provide the full name of each director

Director 1 - Title (e.g.: Dr, Mrs) Given Name(s) and Surname

Director 2 - Title (e.g.: Dr, Mrs) Given Name(s) and Surname

Director 3 - Title (e.g.: Dr, Mrs) Given Name(s) and Surname

If there are more directors, provide details on a separate sheet of paper and attached it to your Application Form.

Application Form (Cont.)

SECTION 2.5 - Shareholders (for public - other, proprietary/private and foreign companies only)

Provide details of ALL individuals who are beneficial owners through one or more shareholdings of more than 25% of the company's issued capital.

Shareholder 1

Full given name(s)	Surname
--------------------	---------

Residential Address (PO Box NOT acceptable)

Unit	Street Number	Street Name		
Suburb/Town	State	Post Code	Country	

Shareholder 2

Full given name(s)	Surname
--------------------	---------

Residential Address (PO Box NOT acceptable)

Unit	Street Number	Street Name		
Suburb/Town	State	Post Code	Country	

Shareholder 3

Full given name(s)	Surname
--------------------	---------

Residential Address (PO Box NOT acceptable)

Unit	Street Number	Street Name		
Suburb/Town	State	Post Code	Country	

Shareholder 4

Full given name(s)	Surname
--------------------	---------

Residential Address (PO Box NOT acceptable)

Unit	Street Number	Street Name		
Suburb/Town	State	Post Code	Country	

If the company is an Australian company or Foreign **company registered with ASIC** the form is now **COMPLETE**.

If the company is a **Foreign company not registered with ASIC** please also attach certified copy of the certification of registration issued by the relevant foreign registration body. - For the definition of certified copy and list of people that can certify documents refer to page 34.

SECTION 3 - INVESTOR TYPE: ALL TRUSTS (INCLUDING SUPERANNUATION FUNDS)

SECTION 3.1 - General Information

Full Name of Trust
Trustee 1 - Title (e.g.: Dr, Mrs) Given Name(s) and Surname or Company Name
Trustee 2 - Title (e.g.: Dr, Mrs) Given Name(s) and Surname or Company Name
Country where Trust established

If there are more trustees, provide details on a separate sheet of paper and attached it to your Application Form.

Application Form (Cont.)

SECTION 3.2 - Type of Trust (select only one of the following trust types and provide the information requested)

Registered managed investment scheme

ARSN

Regulated trust (e.g. Self Managed Superfund)

Name of regulator (ASIC, APRA or ATO)

ABN or registration/licence details

Government superannuation fund

Name of Legislation establishing fund

Other types of trust

Trust description (e.g. discretionary, family, unit)

For other types of Trust, please also provide the following documentation:

- Certified copy (see page 34) or certified extract of the trust deed; or
- Notice of assessment or certified copy of assessment issued by the ATO in the last 12 months.

For all trust types please complete the following additional sections:

- If you are completing this form as an Individual Trustee please complete 'Section 1 - Investor Type: Individual' for at least ONE of the trustees in addition to completing applicable sections 3.1 and 3.3.
- If you are completing this form as a Corporate Trustee please complete 'Section 2 - Investor Type: Company' in addition to completing applicable sections 3.1 and 3.3.
- If you are completing this form both as Individual and Corporate Trustee please complete 'Section 1 - Investor Type: Individual' and 'Section 2 - Investor Type: Company' in addition to completing applicable sections 3.1 and 3.3.

SECTION 3.3 - Beneficiaries (only complete if "Other type of Trust" is selected in 3.2 above)

Do the terms of the trust identify the beneficiaries by reference to membership of a class?

Yes Provide details of the membership class(es)
(e.g. unit holders, family members of named person, charitable purpose)

Membership Class(es)

No How many beneficiaries are there

Number

Provide full name of beneficiary below

1 - Title (e.g.: Dr, Mrs) Given Name(s) and Surname and Residential Address (PO Box NOT acceptable)

2 - Title (e.g.: Dr, Mrs) Given Name(s) and Surname and Residential Address (PO Box NOT acceptable)

3 - Title (e.g.: Dr, Mrs) Given Name(s) and Surname and Residential Address (PO Box NOT acceptable)

4 - Title (e.g.: Dr, Mrs) Given Name(s) and Surname and Residential Address (PO Box NOT acceptable)

If there are more beneficiaries, provide details on a separate sheet of paper and attach it to your Application Form.

For each beneficial owner please provide documentation required for individuals.

Note that if a settlor of a trust did not settle AU\$10,000 or more on establishment of the trust (refer to the trust deed), you do not need to provide the certified documents in respect of the settlor.

Application Form (Cont.)

PART C: FATCA SELF DECLARATION

ALL investors must complete this section

The Foreign Account Tax Compliance Act (FATCA) is a United States (US) regulatory requirement that aims to deter tax evasion by US taxpayers. The Australian and US Governments (through their tax offices) have an agreement which means we must ask you, and you must answer, these questions. Information we gather is reported to the ATO and in turn to US tax authorities. For more information visit the ATO Website: <https://www.ato.gov.au/General/New-legislation/In-detail/Other-topics/International/Foreign-Account-Tax-Compliance-Act/>.

If you are unsure of any of the answers please seek professional advice. Not enough room? Write their details clearly and attach them.

SECTION 1 - Investor Type

Please tick the box indicating which type of investor you are and proceed to the next section as indicated.

- Individual** or Joint Individual Investors one or more of which is a **US citizen** or a resident of the US for tax purposes - **Go to Section 2**
- Individual** or Joint Individual Investors, **NONE** of which are a US citizen or a resident of the US for tax purposes - **Form Complete proceed to Part D**
- Company** or **Trust** which is **NOT** registered in the US and **DOES NOT** have a controlling shareholder is a US citizen or a resident of the US for tax purposes - **Form Complete proceed to Part D**
- Company** or **Trust** (or entity) which is registered in the US - **Complete to Section 3**
- Company** or **Trust** (or entity) for which a **controlling shareholder** is a **US citizen** or a resident of the US for tax purposes - **Complete to Section 4**
- Superannuation Fund** registered in Australia - **Form Complete proceed to Part D**
- Financial Institution** - **Complete to Section 5**
- Australian, State and local **governments** and **local authorities** and their wholly owned agencies or instrumentalities - **Form Complete proceed to Part D**

HELP!

US citizen or resident of the US for tax purposes:

- anyone born in the US who hasn't renounced their US citizenship
- a US citizen including persons with dual or multiple citizenships
- US lawful permanent residents e.g. green card holders

US company or trust:

- a company created in the US, established under the laws of the US or which is a US taxpayer
- a trust subject to the laws of the US and controlled by one or more persons that are citizens or residents of the US

Superannuation Fund:

A complying self-managed super fund, a complying APRA regulated super fund, any government super fund and any pooled superannuation trust.

Financial Institution:

- a depository institution - you accept deposits in the ordinary course of a banking or similar business e.g. a bank
- a custodial institution - a substantial portion of your business (20 %+of gross income) is held in financial assets for the account of others e.g. a custodian or broker
- an investment entity - this includes entities that trade in financial assets or that are investing, administering, managing funds, money, or certain financial assets on behalf of other persons e.g. investment companies. Note: if you are a professional trustee, custodian or investment company, you will usually fall within this category.
- certain prescribed entities -e.g. types of insurance companies that have cash value products or annuities.

SECTION 2 - Individual or Joint Individual Investors who are US Citizens

Please provide your US Taxpayer Identification Number ("TIN")

Individual Investor 1	TIN
Individual Investor 2	TIN

TIN: This is not your tax file number (or TFN). It stands for **US Taxpayer Identification Number**, one of a number of identification numbers issued by US authorities.

SECTION 3 - Company, Trust or other Entity considered a US resident for Tax purposes

Please confirm the entity's US federal tax classification

- | | |
|--|--|
| <input type="checkbox"/> Single-member LLC | <input type="checkbox"/> Trust/estate |
| <input type="checkbox"/> C Corporation | <input type="checkbox"/> Limited Liability Company - C Corporation |
| <input type="checkbox"/> S Corporation | <input type="checkbox"/> Limited Liability Company - S Corporation |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Limited Liability Company - Partnership |

Other - Please detail

Please provide either your FATCA exemption code or you TIN

FATCA exemption code

TIN

Application Form (Cont.)

SECTION 4 - Controlling US persons

If there are more than 3 controlling US persons, please provide their details on a separate page

Name	Address	TIN
Name	Address	TIN
Name	Address	TIN

SECTION 5 - Financial Institution

HELP!

<input type="checkbox"/> Reporting IGA Financial Institution or Participating Financial Institution	GIIN
<input type="checkbox"/> Sponsored Financial Institution or Trustee Documented Trust	GIIN of sponsoring entity or Trustee
<input type="checkbox"/> Financial Institution that does not need to register (e.g. Non-Reporting IGA Financial Institution)	GIIN (if applicable)
<input type="checkbox"/> Non-participating Financial Institution. <i>Note that information about you will be reported to the ATO and the IRS</i>	

GIIN:

Global Intermediary Identification Number, a unique ID number issued by US tax authorities to non-US financial institutions when they register for FATCA

FATCA declaration is complete, proceed to Part D of this Application Form.

PRIVACY NOTICE

AET collects your personal information primarily for the purpose of providing custodial services to the SIT responsible entity and for ancillary purposes detailed in the Privacy Policy. AET may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, the responsible entity, professional advisers, the land titles office and/or as otherwise instructed by the responsible entity. We are also permitted to collect and disclose your personal information when required or authorised to do so by law. AET is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with AET's Privacy Policy. The Privacy Policy contains information about how you may access or correct your personal information held by AET and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Privacy Policy at www.aetlimited.com.au/privacy

Australian Executor Trustees Limited ABN 84 007 869 794 AFSL 240023

Application Form (Cont.)

PART D: DECLARATION AND SIGNATURE

I/We acknowledge declare and agree that by signing this Application Form:

- I/We have personally received (or accessed an electronic copy) and read and understood the PDS to which this Application Form applies and have agreed to be bound by the terms and conditions of the current PDS and of the Constitution of the Sterling Income Trust, as amended, reissued or replaced from time to time.
- I/We am/are at least 18 years of age.
- All details provided and statements made by me/us in this Application Form are complete and accurate.
- None of the Responsible Entity, the Investment Manager or any other person guarantees the repayment of capital invested in the Sterling Income Trust, the performance of nor any particular return from the Sterling Income Trust and I/we understand the risks involved in investing in the Sterling Income Trust.
- If investing as a trustee, on behalf of a superannuation fund or trust I/we confirm that I/we am/are acting in accordance with my/our designated powers and authority under the trust deed. In the case of a superannuation fund, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act.
- An investment in the Sterling Income Trust is illiquid in nature and my/our units may not be able to be redeemed.
- I/we have had the opportunity to seek independent professional advice regarding legal, tax and financial implications of subscribing to the Sterling Income Trust, and acknowledge that the information contained in the PDS is not investment advice or a recommendation that the Units are suitable having regard to my/our investment objectives, financial situation or particular needs. No one promises me/us that I/we will earn any return on my/our investment or that my/our investment will retain its value.
- Once the Application Form has been received by Theta, it cannot be withdrawn. No cooling off rights apply.
- I/We authorise Theta to complete and execute any documentation necessary to effect the issue of Units to me/us.
- That the Responsible Entity is authorised to apply the TFN or ABN provided above to all future applications for units, including reinvestments, unless I/we notify the Responsible Entity otherwise.
- Theta reserves the right to reject any application.
- Theta may accept or reject the Application in whole or in part, and the Sterling Income Trust has the discretion to issue or transfer Units as it sees fit under the terms of the Offer.
- I/We acknowledge that returning the Application Form will constitute my/our offer to subscribe for Units in the Sterling Income Trust and that no notice of acceptance of the Application will be provided.
- I/We acknowledge that the Responsible Entity may be required to pass on information about me/us or my/our investment to the relevant regulatory authority in compliance with the AML laws (AML Act). I/We will provide such information and assistance that may be requested by the Responsible Entity to comply with its obligations under the AML Act and I/we indemnify it against any loss caused by my/our failure to provide such information or assistance.
- The monies used to fund my/our investment in the Sterling Income Trust are not derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention ('illegal activity') and the proceeds of my/our investment in the Sterling Income Trust will not be used to finance any illegal activities.
- I/We am/are not a 'politically exposed' person or organisation for the purpose of any AML law.
- I/We confirm that I/we have read and understood the privacy section contained in the PDS.
- I/We consent to details about my/our application and holdings being disclosed in accordance with the Privacy section of the PDS.
- I/We confirm that the Responsible Entity and Administrator are authorised to accept and act upon any instructions in respect of this application and the units to which it relates given by me/us by facsimile. If instructions are given by facsimile, the onus is on me/us to ensure that such instructions are received in legible form and I/we undertake to confirm them in writing. I/We indemnify the Responsible Entity and Administrator against any loss arising as a result of any of them acting on facsimile instructions. The Responsible Entity and Administrator may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instruction or other instrument believed, in good faith, to be genuine or to be signed by properly authorised persons.
- I/We acknowledge that Theta will send me/us a paper copy of the PDS and any Supplementary or Replacement PDS (if applicable) free of charge of I/we request so during the currency of the PDS.

Account operating instructions (if no selection is made, all individuals to sign will be assumed)

- Tick Any individual to sign
- Tick Any two individuals to sign
- Tick All individuals to sign
- Tick Other (please specify):

Authorised Signature	Name and title (block letters please)	Date
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Authorised Signature	Name and title (block letters please)	Date
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First Mortgage Unit Redemption Application Form

Sterling Income Trust

(ARSN 158 828 105).

Please print in BLOCK LETTERS using BLACK ink.

SIT Investor Number

Investor Name

I/We wish to redeem Units as follows:

<input type="text"/>	First Mortgage Units
----------------------	----------------------------

Please Redeem my/our units for:

		Cash	<input type="text"/>	%
First Mortgage Units	<input type="text"/>			%
		Development Units	<input type="text"/>	%
Management Company Units	<input type="text"/>			%
		Income Units	<input type="text"/>	%

By signing this Redemption Application Form, I/we acknowledge and understand that Conditional Redemption Offers, when made, are expected to be funded out of either new equity raised or returned loan funds and are available to Unitholders who have held their Units for at least 12 months. There is no guarantee that there will be sufficient funds available to meet the redemption requests in full or in part.

Authorised Signature

Authorised Signature

Date

Corporate Directory

Sterling Income Trust:	ARSN 158 828 105
Responsible Entity:	Theta Asset Management Limited ABN 37 071 807 684 AFSL 230920 Suite 501, Level 5, 210 Clarence Street, Sydney NSW 2000 Tel: +61 2 8012 0638 Email: invest@thetaasset.com.au
Investment Manager:	Sterling Corporate Services Pty Ltd Principal office - Level 2, 1 Walker Avenue, West Perth WA 6005 Administration - Unit 23, 397 Warnbro Sound Avenue, Port Kennedy WA 6172 Tel: +61 8 9523 5800 Fax: +61 8 9523 5811 Email: investors@sterlingfirst.com.au
Custodian:	Australian Executor Trustees Limited ABN 84 007 869 794 AFSL 240023 Level 22, 207 Kent Street, Sydney NSW 2000
Unit Registry:	Registry Direct Level 6, 2 Russell Street, Melbourne VIC 3000 PO Box 18366, Collins Street East, VIC 8003 Tel: 1300 556 635 (Aust) +61 3 9020 7935 (Int) Fax: +61 3 9111 5652 Email: registry@registrydirect.com.au Web: www.registrydirect.com.au
State Branch Offices: Perth, WA Level 2, 1 Walker Avenue, West Perth WA 6005 Tel: 1300 440 166 or +61 8 9523 5800 Email: investors@sterlingfirst.com.au Melbourne, Vic Grd Floor, 150 Gladstone St, South Melbourne VIC 3205 Tel: 03 9111 1200 Email: emily.coltraine@sterlingfirst.com.au Brisbane, Qld 20 Bogong Street Riverhills, Qld 4074	Property Management and Sales Offices: Port Kennedy, WA Unit 23, 397 Warnbro Sound Avenue Port Kennedy WA 6172 Tel: 1300 440 166 or +61 8 9523 5800 Email: portkenedy@rmaproperty.com.au Victoria Park, WA Unit 2, 900 Albany Highway East Victoria Park, WA 6101 Tel: +61 8 9269 6100 Email: eastvictoriapark@rmaproperty.com.au Bunbury, WA Lighthouse Bunbury 149 Victoria Street Bunbury, WA 6230 Tel: +61 8 9792 7400 Email: lighthouse@lighthouse rentals.com.au Riverhills, Qld 20 Bogong Street Riverhills, Qld 4074 Tel: 0477 477 237 Email: mtommaney@rmaproperty.com.au

