

PRODUCT DISCLOSURE STATEMENT

INGWERSEN & LANSDOWN SECURITIES FUND

ARSN 089 634 453



2008

Responsible Entity & Issuer.
Product Disclosure Statement Dated
31st January 2008

**Ingwersen &
Lansdown**

SECURITIES
LIMITED

ACN 088 636 220
AFSL No 241097

IMPORTANT NOTICE

General

Ingwersen & Lansdown Securities Limited ('Manager') is the responsible entity of the Ingwersen & Lansdown Securities Fund ('Fund') and issuer of the Units in the Fund offered under this Product Disclosure Statement ('PDS'). The Manager is solely responsible for this PDS.

No person is authorised to provide any information or to make any representation in connection with the Offer described in this PDS which is not contained in this PDS. Any information or representations not so contained may not be relied on as having been authorised by the Manager or any other person in connection with the Offer.

To invest in the Fund investors must:

- receive and read both this PDS and a separate supplementary product disclosure statement in the form of an Investment Proposal which relates to a particular Mortgage Investment; and
- complete an Application Form.

Information relating to the Fund that is not materially adverse information is subject to change from time to time. The updated information can be obtained by calling the Manager on 07 5534 2223 or accessing our website: www.ilsl.com.au A paper copy of the updated information will be given on request.

This PDS provides information for investors to decide if they wish to invest in the Fund and should be read in its entirety. The assumptions underlying the financial information and the risk factors that could affect the financial performance of the Fund should be examined. Investors should consider carefully these factors in light of their personal circumstances (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Offer does not take into account the personal objectives, financial situation and particular needs of investors.

No action has been taken to register or qualify the Units or the Offer, or otherwise to permit a public offering of the Units, in any jurisdiction outside Australia.

The Offer is available to Australian residents in each State and Territory of Australia. This PDS does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and persons who come into possession of this PDS should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Each Applicant will be taken to have represented, warranted and agreed that such person:

- is an Australian citizen or resident in Australia, is located in Australia at the time of such application and is not acting for the account or benefit of any person in the United States, a United States person or any other foreign person; and
- will not offer or sell the Units in the United States or in any other jurisdiction outside Australia or to a United States person, except in transactions exempt from registration under the United States Securities Act of 1933 as amended, and in compliance with all applicable laws in the jurisdiction in which such Units are offered and sold.

The Manager and the Directors do not guarantee the performance of the Fund or a rate of return on capital (if any).

Updated Information

The information contained in this PDS is up to date at the date of its preparation. However, information relating to the Fund, such as the Asset Portfolio, will change from time to time. To the extent that the change in information is not materially adverse to investors, it will be updated and made available to you on the Manager's website at www.ilsl.com.au or by contacting the Manager on 07 5534 2223. A paper copy of any updated information is available free on request. If there is a materially adverse change to the information in this PDS or a materially adverse omission from this PDS, the Manager will issue a replacement or supplementary PDS.

Information on the Asset Portfolio will be updated quarterly at the end of the months of March, June, September and December of each year.

Electronic PDS

This PDS is available in electronic form via www.ilsl.com.au Applicants using the Application Form attached to the electronic version of this PDS must be located within Australia. Persons who receive an electronic version of this Prospectus should ensure they download and read the entire PDS. Persons who received a copy of this PDS in its electronic form may obtain a paper copy of the PDS (free of charge) by telephoning 5534 2233. Applications for Units may only be made on the Application Form attached to this PDS or in its paper copy form as downloaded in its entirety from www.ilsl.com.au.

Photographs and currency

All financial amounts shown in this PDS are expressed in Australian dollars unless otherwise stated. The assets depicted in photographs in this PDS are not assets of the Fund unless otherwise stated.

Glossary

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

Privacy

Upon applying for Units, Applicants will be required to provide personal information to the Manager, such as name, address, telephone/fax numbers, tax file number and bank account details. The Manager collects, holds and uses that personal information to assess Applications, provide facilities and services to Applicants and undertake appropriate administration. Access to information may be disclosed by the Manager to its agents and service providers on the basis that they deal with such information in accordance with the Privacy Act 1988 as amended. Applications which do not provide the information requested may not be processed. Under the Privacy Act 1988 as amended, Applicants may request access to their personal information held by or on behalf of the Manager by contacting the Manager as set out in the Corporate Directory.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

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

Accounting Policies	Accounting policies are the specific accounting policies, bases or rules adopted in preparing and presenting the financial information included in this PDS.
Applicant	A person or entity who submits an Application Form.
Application	An application for Units under the PDS'.
Application Account	A bank account in the name of the Manager where Application Money is deposited.
Application Form	The application form attached to or accompanying this PDS.
Application Monies	Monies remitted to the Manager for the issue of Units.
ASIC	Australian Securities and Investments Commission.
Asset Portfolio	The assets of the fund described in section 4.2.
Assurance	The arrangement whereby the Manager guarantees the payment of Distributions the terms of which are set out in the Assurance Agreement.
Assurance Agreement	The assurance agreement set out in Appendix 1.
Assurance Period	The period set out in clause 2.3 of the Assurance Agreement.
Borrower	Any person who borrows funds from the Fund.
Compliance Committee	Independent committee established by the Manager in accordance with the Constitution and the Corporations Act.
Compliance Plan	The compliance plan lodged with ASIC that establishes a frame work for monitoring the operation of the Fund.
Constitution	The constitution (as amended) dated 9 December 2004 establishing the Fund. This constitution has been lodged with ASIC and governs the relationship between Unitholders and the Manager.
Corporations Act	Corporations Act 2001 (Cth).
Directors	The directors of the Manager.
Distribution	A distribution of Fund income.
Fund	Ingwersen & Lansdown Securities Fund ARSN 089 634 453
Fund Assets	The gross assets of the Fund.
GST	Any goods and services tax, consumption tax, value-added tax or any similar, impost or duty which is or may be levied or becomes payable in connection with the supply of goods and services.
General Authority	The general authority authorisation which is contained in Item C of the Application Form.
Investment Account	Means a bank account established by the Manager for the depositing of monies held on behalf of an investor. This account is established under section 1017E of the Corporations Act.
Investment Committee	The Fund's investment committee established pursuant to the Constitution.
Investment Criteria	Criteria for investment by the Manager as described in section 2.7.

Investment Proposal	The information on a Mortgage Investment and provided by the Manager as a supplementary product disclosure statement.
Issue	The issue of Units pursuant to this PDS.
Issue Date	The date that the Units are issued.
LVR	The ratio of the loan amount to the most recent valuation of the property.
Manager	Ingwersen & Lansdown Securities Limited ACN 088 636 220
Mortgage Investment	Means the loan facility secured by, (in most cases) a registered first mortgage as described in the Investment Proposal.
Net Income	The income determined each Financial Year in accordance with section 95(1) of the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth).
Net Tangible Assets (NTA)	The net tangible assets determined in accordance with applicable Australian accounting standards and industry pronouncements.
Nomination	The nomination form attached to or accompanying the Investment Proposal.
Offer	The Offer to subscribe for Units pursuant to this PDS.
PDS	This product disclosure statement
Redemption Notice	Unitholder request for redemption of part or all of their Units.
Security Property	Means the real property (which may include management rights for a unit development) provided by a Borrower to the Manager as security for a Mortgage Investment.
Taxable Income	The income determined each Financial Year in accordance with section 95(1) of the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth).
Unit	A unit in the Fund.
Unitholder	A holder of Units or investor in the Fund.

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OFFER AT A GLANCE

	Summary	Further Details
Investment Strategy	The Fund seeks to provide investors with returns greater than cash rates with a relatively low level of risk.	Section 1.1
Issue Price	\$1.00 per Unit	
Minimum Investment	\$20,000, and in multiples of \$5,000 thereafter	
Distribution Rates	Historical Distribution rates (without Assurance) of between 9% and 10%.	Section 4.1
Liquidity of your Investment	You cannot liquidate your investment prior to maturity except in exceptional circumstances.	Sections 1.5 and 1.7
Investments Risk	Risks factors which may affect the financial performance of an investment in the Fund include specific risks relating to Mortgage Investments, fluctuations in the property market, general economic risks and general investments risks.	Sections 2
Complaints	The Manager has established a complaints Section handling and disputes resolution process for investors.	Section 8.3
Investor Communications	You will be entitled to receive the following information: <ul style="list-style-type: none"> • confirmation of your investment and/or redemption(s); • a copy of the annual financial statements of the Fund; and • a copy of any required tax statements. 	
Management Fee	Up to 6% (GST inclusive) per annum of the funds invested.	Section 5.1
Australian Taxation	The Fund will not pay tax, but will fully distribute net taxable income to Unitholders. The taxable component of any Distribution will form part of your assessable income. Capital gains tax may apply to you when you redeem your investment. You should seek your own independent tax advice.	Section 7
Cooling Off	There are cooling off rights available to investors	Section 1.8
Income Assurance	Assurance by the Manager that Distributions will be paid (subject to conditions).	Sections 1.3 and 1.11



1.1 What are the benefits of investing in a Mortgage Investment?

There are several good reasons to consider an investment in a Mortgage Investment:

- You receive a monthly Distribution payment directly deposited into your bank account.
- Your funds are invested for a relatively short term (generally 12 months) which gives you flexibility and allows you to adjust your investments with movements in market interest rates.
- We have extensive management experience in investing in Mortgage Investments.
- All costs associated with the establishment of a Mortgage Investment are paid by the Borrower.
- You can choose between selecting your own investment as offered by us, or authorising us to choose your investment for you.
- You receive details of the particular Mortgage Investment offered in an Investment Proposal.

A Mortgage Investment provides regular income returns over a fixed term, without the taxation and administrative difficulties. As a Mortgage Investment is secured over land the underlying security is property and an investment in the Fund can reduce some of the problems generally faced by investors in direct property investments, such as:

- high up front costs;
- bad tenants;
- property maintenance;
- insurance;
- rates;
- capital gains tax;
- unreliable returns; and
- non performance.

1.2 How secure is a Mortgage Investment?

A Mortgage Investment, for the following reasons, is generally considered to have a high level of security:

- the total of all money lent and secured over the Security Property generally does not exceed 66.6% of the value of the Security Property;
- a valuation is conducted of the Security Property by a valuer or other appropriately qualified person approved by us prior to approval of a Mortgage Investment; and
- we have in place systems and personnel with the experience necessary to properly monitor all Mortgage Investments.

We will disclose to you in the Investment Proposal any variation of the above terms.

In limited cases two of our Directors may determine that a valuation by an approved valuer is not necessary. In such cases the Directors will have regard to the following circumstances:

- at least two Directors have personal knowledge of the Security Property;
- the LVR is very low (less than 35%) having regard to the particular type of Security Property; and
- the value of the Security Property is supported by other independent documentation such as a real estate agent's appraisal.

This will be disclosed to you in the Investment Proposal when we adopt this process.

We on behalf of the Unitholders hold the position of registered, (in most cases first), mortgage over the title to the Security Property which means the debt owed by the Borrower has priority over all other debts (excluding any statutory charges such as rates, GST and land tax and if the security is a unit, body corporate levies). We ensure rates and land tax and body corporate levies are paid up to date when we authorise a Mortgage Investment. If a Mortgage Investment is to be secured solely by a subsequent ranking registered mortgage, each investor's specific written consent is obtained before the loan is authorised.

A range of conveyancing searches is conducted on the Security Property to protect your investment. We are a member of Baycorp Advantage and each Borrower undergoes a detailed credit assessment with that organisation. We carefully monitor all loans so where there is a default we can react quickly to protect the Fund's investment.

1.3 What returns are available?

Details of the historical returns paid by the Fund to investors are contained in Section 4.1 and 4.2. Distribution rates for each Mortgage Investment are set out in the Investment Proposal.

1.4 How much do you need to invest?

Generally \$20,000 is the minimum investment. Amounts to be invested in excess of \$20,000 should be in increments of \$5,000. Where you wish to invest \$40,000 or more, we strongly recommend that your funds be divided amongst two or more Mortgage Investments, for example, two Mortgage Investments of \$20,000 each. This improves your financial security by spreading your risk between investments.

1.5 How long do you need to commit your money to a Mortgage Investment?

One of the advantages of investing in a Mortgage Investment is that it is a relatively short term investment. Most loans are generally for an initial term of 12 months. Therefore if market interest rates rise you will not be locked into an investment with a lower return for an extended period of time.

A Mortgage Investment must be treated as a fixed term investment unless the Borrower repays the loan earlier. However for various reasons not all Mortgage Investment loans are repaid on the due date. Therefore we would strongly caution you against committing your funds elsewhere until your funds have actually been returned. While this is not a common occurrence, we feel it is better you are advised of the possibility of a late return of your funds to avoid any unnecessary problems in the future.

1.6 Where are your monies held pending investment?

Your Application Monies are held in an Investment Account pending the issue of Interests in the Fund. All interest that accrues on these monies is paid to the Manager. An investor's monies may only be held in this account for up to 1 month whereupon they must be returned to an investor.

On the issue of Interests or where a Mortgage Investment has been repaid your investment monies will be held in a Fund account with a bank or other authorised deposit taking institution. You will be entitled to receive Distributions at a rate of 4% per annum whilst your investment monies are held in this account except where the amount of interest is less than \$20 in which case the interest will accrue for the benefit of the Fund as a whole. Your funds may only be held in this account for up to 3 months. If they are still in this account at the end of the 3 month period, the monies must be returned to you.

1.7 Can you withdraw your money?

Unless a substitute investor can be found it is not possible to withdraw your investment during the term of a Mortgage Investment. However, where your monies have not been used in a Mortgage Investment you may withdraw all or part of your monies provided that each withdrawal request is \$5,000 or more. In these circumstances you must give the Manager 48 hours written notice.

1.8 Is there a cooling-off period?

Where you have completed a General Authority and if you do not want your funds invested in a particular Mortgage Investment you will have 14 days from the date you are deemed to receive the Investment Proposal to notify us in writing that you do not wish to proceed. You are deemed to have received the Investment Proposal 3 days after we post it to you.

To exercise your right of withdrawal, you must notify us in writing so that it is received by us within 14 days of your deemed receipt of the Investment Proposal. If we do not receive a valid written withdrawal request from you within this time, your funds will remain invested in the Mortgage Investment described in the Investment Proposal for the term of that mortgage.

If you choose to exercise your right of withdrawal in the 14 days period mentioned, no fees will be charged to you and the funds paid by you with your application will be made available for reinvestment in another Mortgage Investment or returned to you within 7 business days of our receiving your notice of withdrawal. This facility does not apply if you choose a specific Mortgage Investment by completing a Nomination.

1.9 Why do Borrowers come to us for a loan instead of a bank?

Mortgage Investments are not the type of finance sought by families to purchase their first home. The primary purpose of most Mortgage Investment loans is to provide short term commercial bridging or development finance.

People borrow from us rather than going to a bank or building society because we usually have far greater flexibility in our lending criteria. Many Borrowers consider that bank approval procedures are both too slow and too complex with many unreasonable requirements. We are not restricted by the administrative red tape in the same way the banks are and, as a result, are very appealing to many commercial borrowers.

1.10 What happens if the Borrower is late in making payments?

The late payment of interest by a Borrower may affect the regularity of Distribution payments to you (except where you have requested Assurance). As the interest payments of a Mortgage Investment are fully managed by us, we will know that the Borrower is late in making a payment before you do. Our loan documentation provides for a higher rate of interest to be paid where the payment is late. This is a strong incentive for the Borrower to make payments on time.

If the Borrower is more than a week late then we will normally issue a formal default notice. Even though most Borrowers will quickly remedy a default, it is prudent to start default procedures to save time and protect your investment if the Borrower does not remedy the default. Our in-house management of the Mortgage Investment interest payments helps ensure the continuity of monthly Distributions to you.

If you are an investor without an Assurance Agreement and the Borrower of your funds is in arrears for 14 days, we will notify you in writing within 3 business days that the loan is in arrears and advise what steps we are instigating. If you are an investor with an Assurance Agreement, as the arrears of the Borrower do not immediately impact upon you, we will notify you in writing only if the Borrower's arrears continue for longer than 30 days.

Where a Borrower is in default the Manager may (at its absolute discretion) elect to pay to the Fund an amount equal to the interest payments a Borrower is obligated to pay under the Mortgage Investment (calculated on the basis that there has not been any default). These moneys do not constitute a loan to the Borrower. However, there is an obligation on the Fund to repay these moneys to the Manager where:

- the Borrower pays interest to the Fund; or
- there are moneys available on the sale of the Mortgage Investment property.

A Borrower is obliged to pay these moneys to the Fund under the terms of the security documents that relate to that Borrower's Mortgage Investment. The Manager may elect at any time to cease payment of these moneys on any one or more Mortgage Investments whereupon an investor shall be entitled to Distributions at a rate equal to the higher rate of interest rate on the Mortgage Investment if and when paid by the Borrower. These arrangements do not apply where you have requested Assurance.

The Manager's decision on paying the monies is based on a number of matters including:

- LVR of the Security Property;
- 'on completion' valuation of the Security Property;
- nature of the Security Property;
- amount of the monthly interest payments; and
- advice received from valuers, real estate agents and other consultants.

1.11 What is Assurance?

Some investors rely on the regular monthly income provided for by their Mortgage Investment for living expenses and cannot afford to wait should a Borrower be late in making an interest payment on a Mortgage Investment. While this only occurs occasionally, we have made provision for this situation through the Assurance Agreement.

The cost of Assurance is an amount equal to (on an annualised basis) 1% of the capital invested by an investor in a particular Mortgage Investment. For example, if the Distribution rate on a Mortgage Investment is 9% pa for the term of the Mortgage Investment, an investor with Assurance would receive 8% pa in accordance with the terms and conditions set out in the Assurance Agreement.

Where an investor elects to receive Assurance the obligation of the Fund to pay a Distribution to an investor will be guaranteed by the Manager for the Assurance Period.

1.12 What happens if the Borrower defaults (other than the non-payment of interest)?

In the event of a default other than the non-payment of interest the Borrower is obliged to pay interest at a higher rate than the rate payable where there has not been any default. In the case where the Borrower pays interest at the higher rate, the Manager shall be entitled to be paid by the Fund an amount equal to the difference between the higher rate of interest and the lower (consessional) rate of interest if and when it is paid by the Borrower.

In some instances the Manager may (despite the default) allow the Borrower to pay interest at the consessional rate. The Manager's decision is based on a number of matters including:

- nature of default;
- identity of the Borrower;
- conduct of the loan by the Borrower;
- LVR of the Security Property; and
- amount of time estimated to be required by the Manager to monitor and/or take steps to ensure that the Borrower rectifies the default.

1.13 What happens if the Borrower defaults (generally)?

In the event the Borrower fails to remedy a default within the timeframe acceptable to us we will commence procedures to sell the Security Property. Once the Security Property is sold, the proceeds from the sale are dealt with in accordance with the terms of the Constitution.

By lending generally no more than 66.6% of the value of the Security Property, a favourable recovery process is anticipated which should also include the costs of sale. You will be regularly updated as to the progress of the steps we take.

1.14 What information will be provided about each Mortgage Investment?

An Investment Proposal is provided to each investor which contains information specific to the Mortgage Investment, namely:

- details of the address and type of the Security Property;
- details of the value of the Security Property as certified by an approved valuer and the basis of valuation;
- the total amount to be lent to the borrower and the LVR;
- subject to privacy obligations details of the Borrower with a report of their credit record;
- the arrangement for repaying the loan;
- the term of the loan and details of the return you can expect to receive, payment dates for Distributions, and provisions made for capital repayments (if any);
- interest rate payable by the Borrower;
- other details of the Mortgage Investment and the rights that go with it;
- details of the security to be provided and of any prior securities over the Security Property; and
- any other information which we consider should be provided to you.



1.15 Do you have a choice where your money is invested?

You can choose either a specific Mortgage Investment or elect to complete a General Authority giving us the power to choose in which Mortgage Investment your funds will be invested.

If you complete a General Authority, we will send you an Investment Proposal prior to the commencement of the Mortgage Investment we choose on your behalf.

If your Application Form indicates that you wish to specify which Mortgage Investment you will invest in, an Investment Proposal is separately provided to you for you to choose your Mortgage Investment by completing the Nomination attached to that document. Historically Mortgage Investments offered by us are filled quickly and we do not guarantee the Mortgage Investment offered will remain available for any length of time.

1.16 What happens after I complete a General Authority?

The General Authority recognises, amongst other things, full authority which you confer on us to invest your investment funds in a Mortgage Investment selected by us.

By providing us with a General Authority, you are foregoing your choice of selection of investment amongst specific mortgages which may have different features. Under a General Authority, where you invest more than \$20,000 but less than \$40,000, we intend to exercise the General Authority, by allocating your funds to a single Mortgage Investment of our choice. In circumstances where you invest \$40,000 or more, we endeavour to allocate your funds into at least 2 Mortgage Investments in order to spread the risk and to endeavour to do so without affecting return.

By giving us a General Authority, we may invest your funds in a type of mortgage of our choosing which could include a mortgage over commercial, residential, rural or industrial property as well as a mortgage over properties for which development funding is required.

Where there is more than 1 investor who has given the Manager a General Authority and whose monies are available for investment, then the Manager's uses the following criteria in allocating Units:

- the length of time the Investors' monies have not been invested in a Mortgage Investment; and
- the amount of the Investor's monies.

1.17 If market interest rates rise or fall, will this affect my return?

No. Once you have invested in a Mortgage Investment the interest rate payable by the Borrower and your income Distribution is fixed for the term of that particular mortgage. The Borrower always has the right to repay the mortgage early, however we will endeavour to place your funds into a new Mortgage Investment.

Whilst your monies are not invested in a Mortgage Investment any changes in interest rates will not affect your Distribution rate as it is set at 4.0%.

1.18 When is an income Distribution paid?

In most cases the income Distribution is paid to you monthly in arrears. Full details are contained in the relevant Investment Proposal.

1.19 How is an income Distribution paid?

Income Distributions are deposited directly into the account nominated on your Application Form. For your security and with our computerised payment system, income Distributions cannot be made by cash or cheque.

2.1 What are our investment aims?

We aim to protect the value of your capital while achieving a sound investment returns than could be achieved by investing in interest bearing securities. We seek to do this by investing your capital in Mortgage Investments which provide a fixed regular income and a registered mortgage security.

2.2 What is the investment time horizon?

Mortgage Investments are generally for a term of 12 months.

2.3 What types of mortgages are involved?

Our policy is to primarily invest in mortgages over commercial, residential and industrial properties located in Queensland, New South Wales and other states (from time to time). We also invest in mortgages over properties for which development funding is required.

Section 4 contains the loans profile for the Fund.

We accept a number of development and construction applications from Borrowers. We have in place a number of measures to minimise risks when approving these applications.

2.4 What are the valuation procedures?

We instruct approved valuers to give us an 'as is' valuation before the development is commenced so that we do not exceed the lending limit in any initial advance to the borrower, as well as an 'on completion' valuation.

An 'as is' market valuation is defined as the estimated amount for which an asset should be sold on the date of the valuation between a willing buyer and a willing seller in an 'arms length' transaction after proper marketing wherein both parties had each acted knowledgeably, prudently and without compulsion.

An 'on completion' market valuation is the estimated amount for which an asset should be sold between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion after the proposed development had been completed according to the plans and specifications in a proper workmanlike manner.

Our valuers use 3 main methods of obtaining market valuations:

Summation Method

Where the vacant land valuation is combined with the added value of the improvements to establish market value.

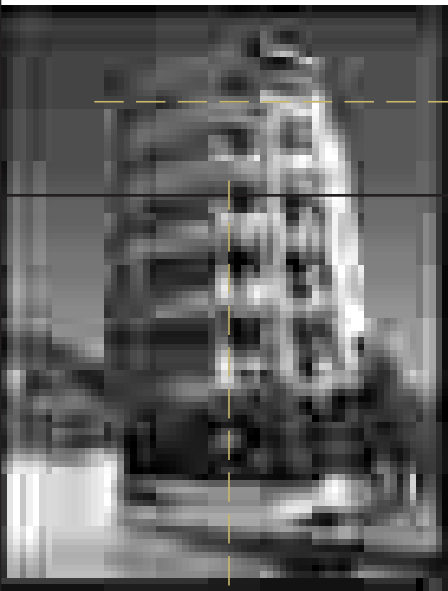
Direct Comparison Method

Where sales evidence of similar properties is directly compared with the Security Property to establish market value.

Capital Value Method

This is the method whereby the net annual maintainable income is assessed and capitalised at an appropriate rate of return given the type and location of the Security Property to establish the market value. This type of valuation is normally applied to tenanted or commercial and industrial properties.

Where construction will be undertaken on the Security Property all plans and specifications as well as building contracts are provided to an approved quantity surveyor or other appropriately qualified person who is instructed by us. The quantity surveyor costs the project to ensure that the borrower has allowed proper development costs for the project.



Once we are satisfied with the report from the quantity surveyor as to the cost to complete the project, we advance funds on a cost to complete basis. We have our quantity surveyor inspect the development at various stages of construction. The quantity surveyor certifies in writing the costs of completing the project from various stages of construction. We withhold from the Borrower the amount of the cost to complete the project as advised by our quantity surveyor. In this way we expect to have sufficient funds to complete the project in the event that the borrower is unable.

Most development loans involve the construction of units or the subdivision of land. We believe that in the event a Borrower goes into default such a project is easier to sell since it involves selling individual units or allotments of land within the price range of average investors whereas a large commercial development in which the security cannot be subdivided can sometimes take longer to sell because of its large value and the limited pool of potential purchasers.

2.5 What are the qualifications of the valuers?

In order for a valuer to be instructed by us they must be a person or firm who is independent of us and who is:

- authorised to practice as a valuer or licensed real estate agent under the law of the State or Territory where the valuation takes place; and
- has in our view appropriate experience in valuations.

It is our practice to appoint a panel of valuers who in our view satisfy this criteria. Historically all valuers hold professional indemnity insurance to a level acceptable to us. With the ever changing insurance market certain valuers used by us to value Security Properties may in the future be unable to hold appropriate professional indemnity insurance. If this was to occur specific and express disclosure would be included in the Investment Proposal so that you could decide whether you wished to invest or remain in the particular loan. This type of loan also carries its own particular investment risks and you should read carefully section 2.9.

2.6 What defaults have we had?

Section 4 includes details of the defaults as at 31 January 2008.

Whilst historically we have been successful in dealing with all defaults it cannot be guaranteed that any future default will be fully discharged.

2.7 What are our main loan assessment criteria?

Our main criteria are:

- the Borrower's proposed arrangements to service and repay the loan;
- the loan secured by the mortgage will generally be no more than 66.6% of the value of the Security Property as assessed by an approved valuer. We will clearly advise potential investors in the Investment Proposal if it is proposed to exceed a LVR of 66.6%;
- the Borrower must give us a registered mortgage over the Security Property;
- the mortgage must be over real property;
- the mortgage must be in our name;
- valuations must not be dated earlier than six months prior to consideration by us; and
- the Security Property must be insured against usual risks to its replacement value.

Only by prior disclosure to you and subject to your written consent will your funds be secured other than by a first mortgage.

2.8 Can the loan repayment date be varied?

A Borrower may repay the whole of a loan at any time. Usually a minimum of 1 month's interest must be paid prior to repayment.

Where a Borrower requests that the loan term be extended and the Manager is of the view that the request is appropriate the Manager may grant an extension for a period of 4 months. Investors in the Mortgage Investment will be informed of this decision. In the event that an extension is sought for a longer period then investors in the Mortgage Investment will be given the option of participating in the further extension. This will be done by the issuance of an Investment Proposal. Where an investor does not wish to participate in the further extension the Manager will attempt to replace the investor. However, if no replacement can be found the loan extension will not be granted and the Borrower will be obliged to repay the loan on the due date.

2.9 What risks are there with a Mortgage Investment?

You should be aware that Mortgage Investments are not guaranteed and carry particular risks. Future income and return of capital may be influenced by a number of factors, including those beyond our control.

We will endeavour to ensure that appropriate policies and procedures are in place to identify and monitor the risks faced by Mortgage Investments and to ensure that such risks are managed within a level determined by us to be prudent. Many factors will affect your Mortgage Investment including:

- the ongoing financial viability of the Borrower and the variable contingencies taken into account when the loan was made to the Borrower, for example, assumptions made as to future occupation of the Security Property by tenants (and their ongoing capacity and commitment to pay rent);
- The Borrower's capacity to pay interest or repay the principal may be impacted upon if the Borrower defaults and is obliged to pay interest at the higher rate;
- the general state of the Australian and international economy which may affect the ability of some Borrowers to meet their loan repayments;
- the valuation of the Security Property not accurately reflecting the real value of the Security Property in the event of a default leading to a loss of capital;
- external factors affecting the Security Property;
- the state of the property market at the time of any necessary default sale;
- delays between the time a loan is in default and the sale of the Security Property;
- the illiquid nature of the investment;
- changes in the level of interest rates. For example, an increase in market interest rates above the rate fixed in a Mortgage Investment would have an adverse effect for investors in terms of return and may affect the value of a Mortgage Investment.
- changes in taxation, monetary policy and statutory requirements;
- the cost assessment to develop the Security Property not accurately reflecting the real cost to develop the Security Property;
- a fall in property market values;
- development and construction loans by their nature are generally riskier than other types of mortgage loans. We have prudent valuation and supervisory practices in place to monitor these types of loans (see section 2.10)
- investing all your money in one loan is a concentration of investment and risk. We recommend where possible you spread your investments over a number of Mortgage Investments; and



- in some instances Borrowers may be relying on the sale of the Security Property to repay the loan and a delay in the sale will result in the Borrower being unable to repay the loan from their other resources.

In addition, if the Manager considers that there are risks specific to a particular Mortgage Investment. These will be set out in the Investment Proposal.

2.10 Types of Borrowers

There are various reasons why a Borrower may prefer to borrow money from the fund as opposed to from larger institutional financiers such as banks and credit unions.

Generally, some of the typical reasons why Borrowers may prefer to borrow from the Fund as opposed to traditional lenders include: the ability of the Fund to review and approve loans in a shorter time frame than traditional lenders, the Funds ability to provide loan advances of a higher LVR compared with traditional lenders include: the ability of the Fund to review and approve loans in a shorter time frame than traditional lenders, the Funds ability to provide loan advances of a higher LVR compared with traditional lending ceiling imposed by the traditional lenders and that the Borrower may not meet the lending criteria of traditional lenders.

Therefore the risk associated with providing finance to these Borrowers may, in some cases, be higher than those accepted by traditional lenders.

2.11 How we monitor cash flow position of Fund

Repayment of all Loans is monitored on a regular monthly basis in order to ensure that the Fund has sufficient cash flow to meet Distribution payable to Investors. In circumstances where the Borrower is late in making loan repayments the Manager may obtain finance to pay Distributions.

2.12 What specific risks may need to be addressed on development and/or construction loans?

Quantity surveyors generally advise that should a builder/contractor fail to complete a construction project for whatever reason, it may not always be possible to engage another builder/contractor to complete the project for the cost to complete as previously reported by the quantity surveyor. In this circumstance we will assess the project and when we consider that completion of the development is more likely to increase the return of capital and/or interest to investors we may elect to advance extra funds (exceeding the original loan) to complete the development. In these circumstances these extra funds will be repaid in priority to investors funds (see section 2.13).

If there is a delay in completion of construction because of such things as inclement weather, shortage of labour or materials or local authority delays in issuing approvals, we reserve the right to extend the term of the loan on such terms and conditions and for such time as we consider reasonable in the circumstances to allow completion of construction and registration of any survey plan so that an orderly sale of the Security Property can occur.

2.13 Do all valuers hold professional indemnity insurance?

The failure of a valuer to hold professional indemnity insurance is a significant risk which should be carefully considered by you. The main risk arises where the valuer has incorrectly or negligently valued the Security Property and where the loan goes into default and the Security Property is sold and there is insufficient proceeds from the sale to repay you. We adopt prudent assessment procedures for assessing each borrower and the Security Property. However the value of the Security Property is the primary security for the loan and critical to ensuring the return of your funds. Where a valuer does not hold professional indemnity insurance this should be considered a risk. If this was to occur specific express disclosure would be included in the Investment Proposal so that you could decide whether you wished to invest or remain in the particular loan.

2.14 Are loans secured by second mortgages?

In some instances specific investment opportunities are available where a second mortgage is the only security available. These types of loans generally offer higher rates of return but include a higher risk of capital loss. The types of security offered is set out in each Investment Proposal.

A loan which is not secured by first mortgage involves additional risks and issues which investors must consider are as follows:

- a particular second Mortgage Investment may be affected by the acts of a prior ranking (first mortgagee) financier enforcing its rights over the Security Property. In most cases the first mortgagee will have the right to take possession of and deal with the assets of the Borrower. These actions taken by the first mortgagee may adversely delay and impact the second Mortgage Investment return; and
- where the power of sale is exercised, the proceeds available to the second mortgagee will diminish through the effluxion of time as interest (usually at the higher or default rate) accumulates on the first mortgage and other recoverable costs are incurred by the first mortgagee.

To assist in mitigating some of these risks the Manager may have the first mortgagee enter into a deed of priority with the Manager so that the first mortgagee is limited to recoup a set principal amount, reasonable costs and interest. The Manager will also take additional security where possible over other assets of the Borrower, including mortgage debentures over the Borrower's assets, as well as obtaining guarantees.

2.15 Can the Fund borrow?

Under the Constitution, we:

- have subject to our statutory and fiduciary duties, all the powers of a natural person and a body corporate to deal with the assets of the Fund as if we were the absolute owner of the assets of the Fund; and
- are permitted to raise or borrow money for the purposes of the Fund.

We may borrow funds on behalf of the Fund with approval of the Directors. The maximum limit for borrowings is \$10 million or 25% of the assets of the Fund, whichever is the greater.

We on behalf of the Fund may exercise our power to borrow in such circumstances as we see fit, including but not limited to, the following situations:

- to assist with cash flows on a particular Mortgage Investment from time to time;
- to facilitate the entering into of other Mortgage Investments;
- to preserve and protect the assets of the Fund, including the expenditure of such moneys as shall in our opinion be necessary to protect or realise a Mortgage Investment, including completing construction of a project the subject of a Mortgage Investment.

Any security to be given to support those borrowings will be restricted to the Mortgage Investment for which the borrowings are to be used.

In such circumstances, the funds borrowed shall be repaid in priority to investors' contributions on any such particular loan. Individual contributors to any Mortgage Investment where it is proposed for there to be borrowings of this kind shall be given details of the proposed borrowings in the Investment Proposal.

3

3.1 Who are we?

Ingwersen & Lansdown Securities Limited is a public unlisted company established to offer Mortgage Investments to investors. The Manager has been licensed by ASIC as a responsible entity for the purposes of the Corporations Act. Whilst the Manager was established by the partners of Ingwersen & Lansdown Solicitors, and its partners are directors, Ingwersen & Lansdown Solicitors takes no responsibility for the contents of this PDS, nor does it warrant any return of income or capital. The Directors in authorising the issue of this PDS have done so in their capacity as directors and not as partners of Ingwersen & Lansdown Solicitors.

3.2 What are our financial requirements under the Corporations Act?

It is a legislative requirement that we meet certain financial requirements including net tangible assets of an amount not less than \$50,000 or 0.5% of our total funds under management and cash flow requirements. To meet this requirement we have in place an unconditional guarantee from National Australia Bank in the sum of \$500,000. This figure is reviewed quarterly and as we grow we increase the size of the guarantee to meet our obligations under the law.

3.3 What is our role?

Our role is to identify, hold and manage investments. Our responsibilities, powers and duties are set out in the Constitution, particulars of which are described in section 8.

3.4 What experience do we have?

Our experience is founded upon the specialist expertise vested in our present directors who are all experienced in the business of mortgage lending and property law.

ANTHONY (TONY)
JOSEPH
INGWERSEN

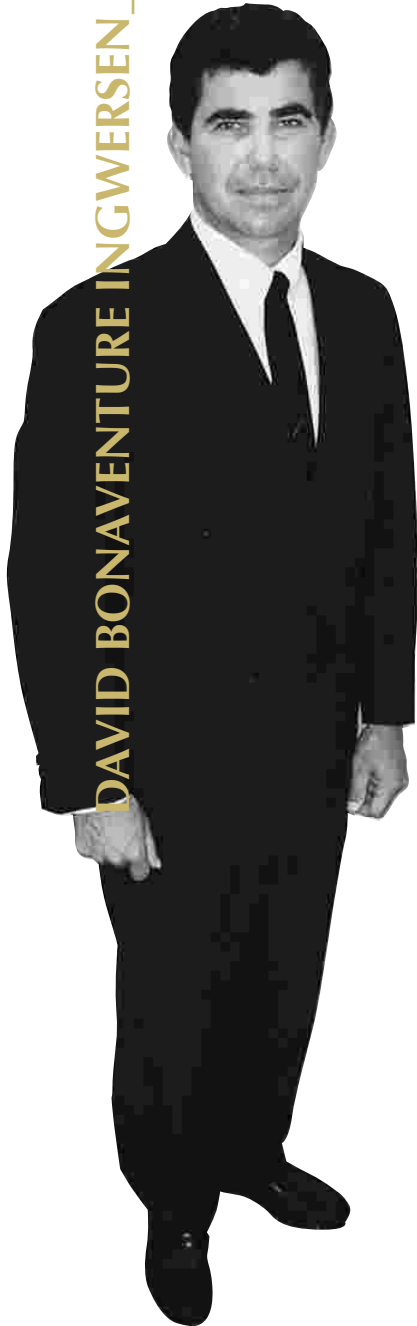
is a solicitor, and director of Ingwersen & Lansdown Securities and has over 30 years experience in mortgage lending. Tony is the honorary solicitor to a number of bodies on the Gold Coast in Queensland including the Tugun Bowls Club and Palm Beach Surf Lifesaving Club.



ANTHONY (TONY) JOSEPH INGWERSEN

**DAVID
BONAVENTURE
INGWERSEN**

is a solicitor and director of Ingwersen & Lansdown Securities and has over 12 years experience in mortgage lending. David is also involved in surf lifesaving and fund raising for local schools.



DAVID BONAVENTURE INGWERSEN

**BRETT HARRIS
LANSDOWN**

is a solicitor with degrees in Law and Land Surveying. After being employed in surveying for some years he joined the law practice of Ingwersen and Lansdown Solicitors in 1997. In recent years he has been in charge of conveyancing including handling mortgage transactions for clients. He is involved with Queensland water polo at local, state and national levels.



BRETT HARRIS LANSDOWN

**DAVID HARRIS
LANSDOWN**

is a solicitor and director of Ingwersen & Lansdown Securities with over 12 years experience in mortgage lending. David is involved in community activities on the Gold Coast and is the honorary solicitor for a number of Gold Coast based bodies.



DAVID HARRIS LANSDOWN

4.1 Historical Performance of Fund to 31 January 2008

Since the establishment of the Fund in 1999 loans in excess of \$547,127,000 have been made by the Fund to various Borrowers. The Manager has concentrated on moderate, sensible growth to avoid problems that may arise with rapid expansion.

4.2 Loan Profiles as at 31 January 2008

Fund Assets	\$67,643,209
Value of Loans	\$56,701,350
Number of Loans	30
Number of Borrowers	20
Loans which represent in excess of 5% Fund Assets	6

those 6 loans being for \$9,212,500 representing 13.6% of Fund assets
 \$5,681,000 representing 8.3% of Fund assets
 \$4,631,000 representing 6.8% of Fund assets
 \$4,316,000 representing 6.3% of Fund assets
 \$3,949,650 representing 5.8% of Fund assets
 \$3,519,500 representing 5.2% of Fund assets

Number of loans secured by first mortgage	23
Number of loans secured by second mortgage or other	7

Type of Security Property	By percentage of loan moneys
Commercial	0.0%
Residential	Vacant residential land 20.0%
	Houses 13.3%
	Multi-storey units 13.3%
	Townhouses 3.3%
Industrial	6.7%
Rural	0.0%
Development and/or construction (by purpose of development loan):	Vacant residential land 13.3%
	Houses 3.3%
	Multi-storey units 10.0%
	Townhouses 13.3%
	Commercial 3.3%
	(Figures are subject to rounding and may not be accurate.)
Locality of Assets secured by loans	Queensland 91.3%
	New South Wales 6.7%
	Victoria 2.0%
Interest rates payable on loans	9.5%
Loan Maturity dates	In period ending 31/03/08 17
	In period 1/04/08 to 30/09/08 9
	In period 1/10/08 to 31/03/09 4

4.3 Loans in Default as at 31 January 2008

	Principal	Interest in arrears	Number of loans
60 - 90 days	\$775,100.00	\$14,758.32	1
90 - 120 days	N/A	N/A	NIL
120 days and over	\$500,000.00	\$399,461.84	1

4.4 Updated Fund Details

Updated financial information in relation to the Fund is published quarterly on the manager's website www.ilsl.com.au



Consumer advisory warning

The warning below is required by law. The fees and other costs associated with investing in the Fund are described in this section.

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 - year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

To find out more

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

5.1 Fees

This table shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment, or from the Fund Assets as a whole.

You should read all of information about fees and costs, as it is important to understand their impact upon your investment.

Taxes are set out in Section 7.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
<i>Establishment fee</i> : The fee to open your investment.	Nil	Not Applicable
<i>Contribution fee</i> ¹ : The fee on each amount contributed to your investment.	Nil	Not Applicable
<i>Withdrawal fee</i> : The fee on each amount you take out of your investment.	0.5% of the amount withdrawn in the case of early withdrawal	Paid at the time of withdrawal
Termination fee: This is the fee to close your investment.	Nil	Not Applicable



Management costs^{2 3}		
The fees and costs for managing your investment.	For the year 1 July 2004 to 30 June 2005 these costs amounted to 4.479% of Fund Assets as at 30 June 2005. The Directors estimate that the costs will be similar during the currency of this PDS. For individual investors the fees can amount to between 1% and 6% of the funds invested.	Paid at different times (dependent on the Mortgage Investment) from Fund Assets.
Service Fees		
<i>Investment Switching fee:</i> The fee for changing investment options.	Nil	Not Applicable

1. But see 'Adviser Remuneration' under the heading "Additional Explanation of Fees and Costs'.
2. Costs encompass all of the income of the Fund that exceed the minimum rates of return set out in the Investment Proposal. They do not include fees paid to the Manager under the Assurance Agreement. In that event the fees were 4.623% of Fund Assets. For details of these fees refer to clause 3 of the Assurance Agreement.
3. Costs include amounts relating to:
 - part of the interest and/or establishment fees that are payable by a Borrower under a Mortgage Investment;
 - a percentage of an Investor's investment monies;
 - the time spent or estimated to be spent by the Manager (or its employees and agents) on an issue relevant to an Investors interest in the Fund;
 - interest paid by a Borrower at the higher rate when the Manager pays an Investor the lower rate of interest. This can occur where the Manager pays to the Fund an amount equal to the Distribution that would otherwise have been payable if the Borrower was not in default;
 - interest accrued on monies held in the Fund accounts (less any interest as determined by the Manager to be paid to investors);
 - the difference between the interest at the lower rate paid by a Borrower to the Fund where an investor has elected to accept Distribution payments on the Mortgage Investment at a rate which is less than the lower rate charged;
 - the difference between any increase in either the lower or higher rate of interest paid by the Borrower, where an Investor has elected to accept Distributions at a predetermined rate;
 - any interest accrued from any money paid by a Borrower to Fund accounts prior to its distribution to investors; and
 - any interest accrued from monies held in the Application Account.

5.2 Additional explanation of fees and costs

GST and stamp duty

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

- (a) GST less any reduced inputs tax credits; and
- (b) Stamp duty.

Fee changes

The level of management costs is an estimate and can change without recourse to Investors.

Adviser remuneration

The Manager may pay to your adviser a fee of an amount equal to 1% (maximum) of the value of your investment. This is payable by the Manager from its own funds at the time or times agreed with your adviser.

Example of annual fees and costs

This table gives an example of how the fees and costs for this product can affect your investment over a one year period. These fees and costs may be deducted from Fund Assets. The example assumes that a balance of \$50,000 has already been invested in a Mortgage Investment, that it remains in the Mortgage Investment for the whole of the year and that an additional investment of \$5,000 is made in another Mortgage Investment. 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 year
Contribution fees		For every additional \$5,000 you put in, you will be charged \$0
PLUS management costs	Between 1% and 6% p.a. (Inc GST) of the total funds invested	And, for every \$50,000 you have in the Fund, you will be charged (indirectly) between \$500 and \$3,000 each year.
EQUALS cost of Fund investment		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 (indirectly) fees of between \$500 and \$3,000. What it costs you will depend on the investment option you choose and the fees you negotiate with the fund or your adviser

NOTE:

The actual fees and costs are deducted from the income of the Fund and not from an investors investment balance. The Distributions advised to investors are NET of all fees and expenses.

Additional fees may apply:

If you leave the Fund early you may also be charged withdrawal fees of 0.5% of the amount you withdraw (so that if you withdraw \$5,000 from the Fund prior to the expiry of the investment term you will incur a withdrawal fee of \$25).

Borrowers fees

In addition to interest on loans and the repayments of the principal at the end of the loan term, Borrowers also pay loan establishment fees calculated at 1-6% of the principal advanced. These fees are included in the managements costs above.

FINANCIAL INFORMATION

6

6.1 Introduction

Set out below are details of the financial information for the Manager for the periods shown.

6.2 Balance Sheet of the Manager

AT 30 JUNE 2007	2007 \$	2006 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,143,650	729,415
Receivables	79,194	798,120
TOTAL CURRENT ASSETS	<u>1,222,844</u>	<u>1,527,535</u>
NON-CURRENT ASSETS		
Receivables	202,123	317,403
Plant and Equipment		1,268
TOTAL NON-CURRENT ASSETS	<u>202,123</u>	<u>318,671</u>
TOTAL ASSETS	<u>1,424,967</u>	<u>1,846,206</u>
LIABILITIES		
CURRENT LIABILITIES		
Payables	189,366	169,627
Tax Liability	101,096	460,196
TOTAL CURRENT LIABILITIES	290,462	629,823
NET ASSETS	<u>1,134,505</u>	<u>1,216,383</u>
EQUITY		
Contributed Equity	400	400
Retained earnings	1,134,105	1,215,983
TOTAL EQUITY	<u>1,134,505</u>	<u>1,216,383</u>

This financial information set out in section 6.2 is based on audited reviewed financial statements for the Manager for the period ended 30 June 2007.



7.1 General

The Fund is a unit trust that the Manager believes will allow for a flow through of tax benefits to Unitholders. This means that each Unitholder will be taxed upon their proportional share of the Taxable Income of the Fund.

Based upon advice received, the Manager is of the view that the Fund will not be taxed as a company pursuant to the provisions of Division 6C of the Income Tax Assessment Act 1936 provided the Fund limits the nature of its transactions to those outlined in this PDS.

Unitholders are advised to seek their own advice in relation to an investment in the Fund, as taxation treatments may differ according to individual circumstances and may change from time to time.

7.2 Superannuation funds

As any borrowings are to be taken out in the name of the Manager, Unitholders are not deemed to be borrowing in their own name. This means, under current law, that an investment in the Fund is an eligible investment for superannuation funds, subject to the terms of the superannuation fund's constitution and the rules applying to superannuation funds in general.

7.3 Taxation treatment for capital gains

Unitholders who are individual Unitholders (ie natural persons) may be entitled to a 50% exemption from capital gains tax providing they have held their Units for more than 12 months. Superannuation funds may receive a one third exemption in the same circumstances.

7.4 Tax file numbers and Australian business numbers

The Application Form requests that Unitholders supply their Tax File Number (TFN). If a TFN is not supplied, or appropriate TFN exemption information is not provided, tax will be deducted from Distributions at the highest marginal rate plus the Medicare levy. In the case of an investor applying for Units in the course of carrying on an enterprise, it may be appropriate to quote an Australian Business Number (ABN) instead of a TFN. You should seek expert advice if you think this situation applies to you.

7.5 Non-resident Unitholders

An investor who quotes an overseas address will be treated by the Fund as a non-resident for Australian tax purposes. Non-resident Unitholders may be subjected to withholding tax and non-resident income tax deductions on a proportion of any Distributions made. It is recommended that non-resident Unitholders seek their own tax advice in relation to their taxation position.

7.6 Goods and Services Tax (GST)

The Manager has received advice confirming that the Trust will be treated as a financier for GST purposes and any GST paid will be non-recoverable. No GST is payable on any application for Units or on the sale of Units.

8.1 Important documents

The following sets out a summary of material documents which are relevant to the Fund. The material documents are:

- Constitution; and
- Compliance Plan;

The summaries in this section do not explain the effect of every detail in these agreements.

Constitution

The Constitution is the primary document governing the relationship between the Unitholders and the Manager as responsible entity.

The Constitution contains extensive provisions about the legal obligations of the parties and the rights and powers of each.

The Constitution can be amended by the Manager where the change does not adversely affect the rights of the Unitholders. Otherwise, a special resolution must be passed by Unitholders at a properly called meeting. A number of the important provisions of the Constitution are discussed elsewhere in the PDS.

Amongst other things, the Constitution deals with the following important matters:

- (a) the powers of the Manager;
- (b) liability of Unitholders;
- (c) the issue of further Units;
- (d) the redemption of Units;
- (e) the retirement and removal of the Manager;
- (f) complaints handling procedures;
- (g) the rights of Unitholders to receive distributions of income and capital from the Fund; and
- (h) the fees payable and the expenses for which the Manager is entitled to be reimbursed.

The Constitution is available for inspection at the offices of the Manager.

Compliance Plan

The Compliance Plan is the document which outlines the principles and procedures that the manager will invoke to ensure that it complies in all respects with the provisions of the Corporations Act, ASIC policies and guidelines and the Constitution. The Compliance Plan has been lodged with ASIC.

8.2 Unit price policy

The Manager has implemented a Unit Pricing Policy which provides that investments will be valued depending upon the nature of the investment at cost, unless the manager is advised or considers that the particular investment has changed in value. A copy of any discretions exercised by the manager are available free of charge on request.

8.3 Consents of named parties

Each of the parties listed below consents to being named in this PDS in the capacity stated and in the form and context in which it appears in the PDS and has not withdrawn that consent prior to the date of this PDS. None of the parties named are responsible for any statements made in the PDS nor are they aware of any statements made in the PDS being attributed to them. The parties named below expressly disclaim and take no responsibility for the content of this PDS to the maximum extent possible by law other than the references to them by name and the statements set out below:

- (a) Ernst & Young has given its consent to being named as Auditor of the Manager and the Fund;
- (b) McCullough Robertson has given its consent to being referred to as Lawyers for the Manager.

8.4 Complaints

Please contact us in writing or call us on 07 5534 2223 if you wish to make a complaint.

If the complaint is in writing, we must acknowledge it within 14 business days of receiving it and follow certain procedures. In particular we are required to investigate, properly consider and decide what action (if any) to take and to communicate our decision to you within 45 days.

If you are not happy with how the complaint has been handled you may contact the Financial Industry Complaints Service (FICS), of which we are a member. This is an independent body approved by ASIC to consider complaints. FICS contact detail are as follows:

Telephone 1300 780 808
PO Box 579
Collins Street West
MELBOURNE VIC 8007

8.5 Disclosure of interests

- Each of the Directors has an interest in the Manager.
- Each of the Directors is a partner of the firm of Ingwersen & Lansdown, Solicitors. The firm of Ingwersen & Lansdown, Solicitors has historically and may in the future provide legal and administration services to the Manager.
- The Manager, and related parties of the Manager, may hold Units from time to time, where this occurs those investments will be acquired on the same terms and conditions as any other Investor in the Fund. Details of those holdings as at 31 January 2008 are:

Manager	971,548 Units
AJ Ingwersen	559,500 Units
DB Ingwersen	424,000 Units
DH Lansdown	698,000 Units
BH Lansdown	Nil Units

-
- McCullough Robertson Lawyers has undertaken work in respect to the PDS.
 - Cost Effective Conveyancing Pty Ltd (a related party of the Manager) provides clerical and administration services to the Manager on usual terms and conditions.
 - Various entities (all being related parties of the Manager) may provide loans to the Fund for which they will be paid interest. All transactions will be made on commercial arms length terms.

8.6 Social Ethical and other considerations

Labour standards, environmental, social or ethical considerations are not explicitly taken into account by the Manager when making or realising an investment of the Fund.

8.7 Continuous disclosure

The Fund is a disclosing entity for Corporations Act purposes and as such is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

Investors have a right to obtain a copy of the following documents:

- the annual financial report for the Fund for the financial year ending 30 June 2007, being the most recently lodged annual financial report with ASIC; and
- any continuous disclosure notice given by the Fund after the lodgement of the annual report and before the date of the PDS.

In addition, section 1017B of the Corporations Act requires that we must advise investors of material adverse changes to matters specified in this PDS or significant events that affect those matters.

8.8 Differential Fees

Under the Corporations Act, the Manager may rebate fees to Unitholders that meet certain criteria. The Manager may individually negotiate to alter, rebate, or waive any of the fees applicable under this PDS or relevant to the Fund for Wholesale investors. However we will do this only if it does not adversely affect the fees paid by other Unitholders.

8.9 Effect on pensions or similar benefits

Investing in the Fund may affect social security pension entitlements. Investors should contact their financial adviser or the government's Centrelink office for further details.

8.10 Privacy principles

The Privacy Act 1988 ('Privacy Act') governs the use of an individual's personal information gained by an organisation from dealings with an individual. The National Privacy Principles of the Privacy Act govern the way in which organisations should treat personal information.

The Manager is committed to managing and only using personal information in ways that comply with the Privacy Act. As a result, the Manager will apply the National Privacy Principles in respect of all information you provide in making the application for investment in the Fund.

The information the Manager obtains from you on this Application Form is used to evaluate your application for Units, as well as to issue and manage your investment. The Manager will retain the information you provide for record keeping purposes, however once your personal information is no longer required, the Manager will either destroy it, or retrain it in a way that does not identify that it relates to you.

You have a right to know the information the Manager holds and to require the Manager to correct any errors. In this regard you can assist the Manager to keep your details up to date by advising the Manager of any information that appears incorrect. You can call the Manager or write to it at the address listed in the Corporate Directory to obtain details about the information the Manager holds for you.

As well as reporting to you about your investment in the Fund, the Manager may use your contact details to let you know about other investment opportunities. If you prefer not to receive these communications then please telephone or mail the Manager at the contact details referred to above. If the Manager is obliged to do so by law, they will pass your personal information to other parties strictly in accordance with the relevant legal requirements.



Defined terms used in this appendix are set out in clause 7. References to clauses and paragraphs are to clauses and paragraphs of this Appendix.

1. AGREEMENT

This agreement is entered into between the Manager, the Fund and the Investor.

2. ASSURANCE AMOUNT

2.1 The Manager shall pay to the Fund an amount equal to the Distribution (at the rate set out in the Investment Proposal) that would have been payable to the Investor where the Borrower named in an Investment Proposal fails to pay the interest due under the Mortgage Investment by the due date.

2.2 The Assurance Amount for each month will be paid by the Company on the day that the Distribution was due to be paid.

2.3 The obligation to pay the moneys referred to in clause 2.1 commences on the day a loan is made for a Mortgage Investment and continues until the earlier of:

- (a) expiry (including early repayment) of the term of the Mortgage Investment; or
- (b) receipt by the Fund of the proceeds of sale where a power of sale has been exercised in respect of the Security Property; or
- (c) 30 days after the date nominated for the first auction/tender date (whether or not the Security Property is sold at auction/tender).

3. FEE

3.1 In consideration of the Manager agreeing to pay the monies referred to in clause 2, the Fund will pay to the Manager:

- (a) an amount represented by A in the following formula:

$$A = \frac{B}{1200} \times D$$

B = Amount invested in the Mortgage Investment by the Investor

D = Term (in months) of the Mortgage Investment, and

- (b) amounts equal to all additional and/or higher rate interest and paid by the Borrower, guarantor/s or third party mortgagor/s under the Mortgage Investment.

3.2 The monies payable to the Company under clause 3.1(a) must be paid by equal monthly instalments at the same time as the assurance amount is paid under clause 2.2.

3.3 The monies payable to the Company under clause 3.1(b) must be paid within 5 business days of the Fund receiving those monies from the Borrower.

4. REPAYMENT OF PRINCIPAL

When a Mortgage Investment is repaid or where the Security Property is sold pursuant to the Manager (on behalf of the Fund) exercising power of sale, the repayment of the investor(s) principal will take priority before the payment of any distribution owed.

5. LIMITATIONS

The Assurance shall be:

- (a) binding on the Manager provided no situation arises which restrains or limits the rights of the Manager (on behalf of the Fund) to collect interest owed and/or to exercise all its powers, rights and remedies including, but not limited to, the power of sale as mortgagee; and
- (b) effective provided no legislation, laws or legal impediments exist during the time of any default under a Mortgage Investment which limit or restrict the rights of the Manager as mortgagee.

6. APPLICATION OF THIS AGREEMENT

This agreement applies to each:

- (a) Mortgage Investment; and
- (b) each Investor who has completed item C of the Application Form.

7. DEFINITIONS

The following bolded words and expressions shall have the following meanings:

'Application Form' means the application form attached to the PDS.

'Assurance' means the provision of monies by the Manager to the Fund pursuant to this agreement;

'Assurance Amount' means the monies described in clause 2;

'Borrower' means any person who borrows from the Fund;

'Distribution' means a distribution of Fund income;

'Mortgage Investment' means a loan facility to be made available by the Fund secured (in most cases) by a registered first mortgage as described in the Investment Proposal;

'Fund' means Ingwersen & Lansdown Securities Limited ACN 088 636 220 as responsible entity for the Ingwersen & Lansdown Securities Fund ARSN 089 634 453;

'Investment Proposal' means the information on a Mortgage Investment;

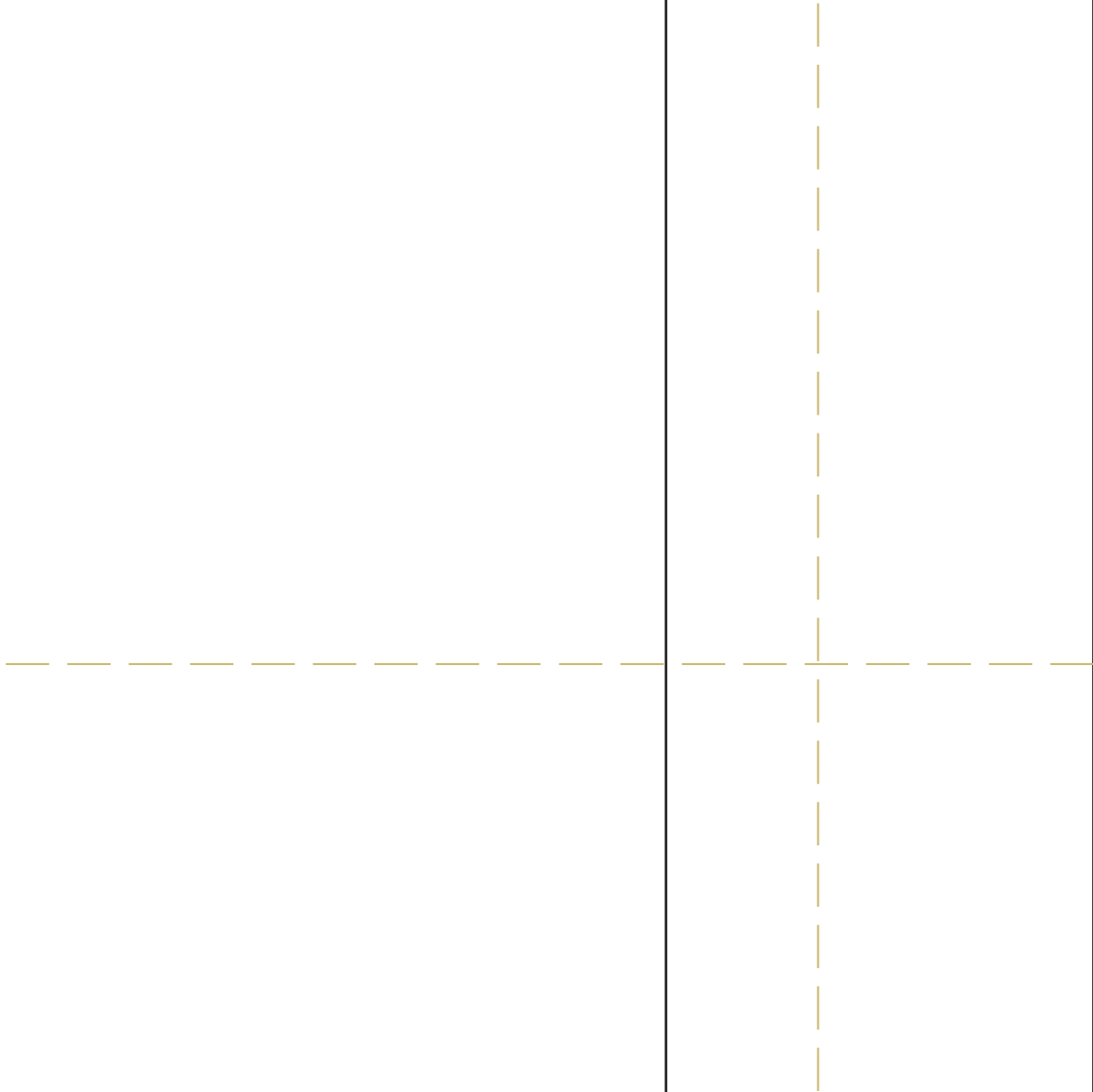
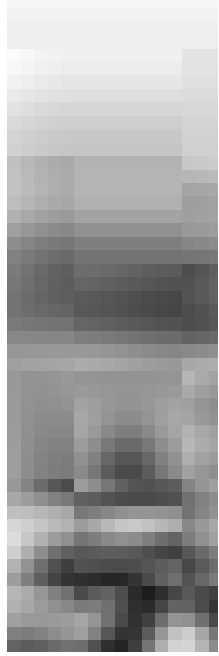
'Investor' means a holder of Units where that Investor has completed Item C of the Application Form;

'Manager' means Ingwersen & Lansdown Securities Limited ACN 088 636 220;

'PDS' means the Product Disclosure Statement relating to the issue of Units in the Fund;

'Security Property' means the real property provided by a Borrower to the Manager as security for a Mortgage Investment;

'Unit' means a unit in the Fund.



A A separate document for an Mortgage Investment can be made available to you to select and identify in the space provided, the name of the Mortgage Investment in which you wish to invest. You will need to write the name of your selection in the box and complete the details on this form. (If the applicant has not selected a Mortgage Investment at the time of making this application, they will later need to nominate a specific Mortgage Investment to the Manager.) If you do not wish to make a selection of a Mortgage Investment, the Manager can make a selection for you. If you make this decision, finish completing the details on this form and complete as well the form entitled "General Authority" to be found on a later page of this Application form.

B Minimum Subscription-You may invest an amount of \$20,000 or more with investments in excess of \$20,000 being in increments of \$5000.

C If you wish for Assurance to apply to your investment then tick the box

D Write the full name you wish to have your investment registered under. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable name. Applications using the wrong form of name may be rejected.

E Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application

F Please enter your postal address for all correspondence. All communications to you from the Manager will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your application

H Please enter the details of your financial institution to which interest will be paid

I Please complete cheque details as required:

- Make your cheque payable to "Ingwersen & Lansdown Securities Limited - Application Account" in Australian currency and cross it "Not Negotiable".
- The amount should agree with the amount shown in item B .
- Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your application being rejected.
- Pin (do not staple) your cheque(s) to the application

SIGNING THE APPLICATION FORM

Before signing the application form, you should read the PDS. The application form must be signed by you personally or under company seal or by an attorney. Joint applications must be signed by each applicant. Joint applications will be assumed to be joint tenants unless otherwise specified.

If signed by an attorney, the attorney declares that no notice of revocation of the power of attorney has been received. If signed under common seal the director(s) and/or secretary attest that the common seal was affixed in accordance with the company's constitution.

CHECKLIST

If you have made a selection of a Mortgage Investment, ensure details are completed in item (A). Check all other details have been inserted. All applicants are to sign and date the application and send it together with your cheque for your investment to the address shown below .

If you require the Manager to select your First Mortgage Investment, complete this application and the General Authority form. Send both these forms with your cheque for your investment to the address shown below.

Completed forms and cheques must be sent to:

Ingwersen & Lansdown Securities Limited
P.O. Box 187
Palm Beach
Gold Coast, Qld. 4221

Note that only legal entities hold Mortgage Investments. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Manager. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other registrable name may be included by way of account designation if completed exactly as described in the example of correct forms of registrable title below.

Type of Investor	CORRECT FORM OF REGISTRABLE TITLE	INCORRECT FORM OF REGISTRABLE TITLE
INDIVIDUAL - Use given names in full, not initials	Mr John Alfred Smith	J. A. Smith
MINOR - (a person under the age of 18) Use the name of a guardian adult, do not use the name of the minor	John Alfred Smith <Peter Smith>	Peter Smith
COMPANY - Use company title, not abbreviations Provide ACN	ABC Pty Ltd ACN 000 000 000	ABC P/L, ABC Co
TRUSTS - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
DECEASED ESTATES - Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of the late John Smith
PARTNERSHIPS -Use partner's personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son
CLUBS/UNINCORPORATED BODIES/BUSINESS NAMES - Use office bearer(s) personal name(s), do not use the name of the club etc	Mr Michael Smith <ABC Tennis Association A/C>	ABC Tennis Association
SUPERANNUATION FUNDS Use name of trustee of the fund, do not use the name of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Insert the name(s) of any joint applicant(s) and/or account description using <> as indicated above in designated space(s) at Section C on the Application Form.

GENERAL AUTHORITY

Date of PDS: 31 January 2008

TO

**INGWERSEN & LANSDOWN SECURITIES LIMITED ACN 088 636 220, AFSL 241097
THE INGWERSEN & LANSDOWN SECURITIES FUND ARSN 089 634 453**

(to be completed only if the Manager is to select your Mortgage Investment)

By completing this General Authority the persons shown in the accompanying Application Form agree to the following statements. I /we declare that:

- the amount of my/our investment may be invested by you in a Mortgage investment of your choice to be made at your discretion on the terms set out in the PDS;
- I/We have may cancel this General Authority at any time by written instructions to you prior to my/our funds being committed to a Mortgage Investment; and
- I/we have rights to complete and send to you a completed withdrawal request within 14 days of my/our receiving the Investment Proposal in accordance with section 1.8 of the PDS.

INDIVIDUALS

X _____
SIGN HERE
APPLICATION

X _____
SIGN HERE
JOINT APPLICANT #2

X _____
SIGN HERE
JOINT APPLICANT #3

DATE

COMPANY

X _____
SIGN HERE
DIRECTOR

X _____
SIGN HERE
SECRETARY/DIRECTOR

OFFICE USE ONLY
DATE RECEIVED

Date of PDS: 31 January 2008

The Ingwersen & Lansdown Securities Fund

ARSN 089 634 453

THIS APPLICATION FORM

MUST NOT BE HANDED

ON TO ANOTHER

PERSON UNLESS

ATTACHED TO OR

ACCOMPANIED BY THE

PRODUCT DISCLOSURE

STATEMENT

(NOTE) Super Funds/Trusts/Estates
Please refer bottom page 10 for completion of details.

A

THIS APPLICATION FORM IS USED BY AN APPLICANT:

- if they wish to invest in a Mortgage Investment of the Manager's choice in which case the Applicant must complete the form of General Authority as well as this application form.

OR

- if they wish to invest in a Mortgage Investment of their choice by completing the name of their chosen proposal in this box

(If the applicant has not selected a Mortgage Investment at the time of making this application, they will later need to nominate a specific First Mortgage Investment to the Manager)

B

AUS \$

(Please make sure that the amount of your cheque(s) equals this amount. Cheques must be made payable to 'Ingwersen & Lansdown Securities Limited - Application Account'. Please pin your cheque to the Application if you have completed the General Authority or chosen your First Mortgage Investment. Your cheque must be drawn on an Australian financial institution. Receipts will not be issued.)

C

IF YOU WISH FOR ASSURANCE TO APPLY TO YOUR INVESTMENT PLEASE TICK THE BOX

D

WRITE YOUR NAME HERE

TITLE (MR/MRS) GIVEN NAME(S) (NO INITIALS) & SURENAME OR COMPANY NAME & ACN DATE OF BIRTH

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------	----------------------

TITLE (MR/MRS) GIVEN NAME(S) (NO INITIALS) & SURENAME OR COMPANY NAME & ACN DATE OF BIRTH

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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TITLE (MR/MRS) GIVEN NAME(S) (NO INITIALS) & SURENAME OR COMPANY NAME & ACN DATE OF BIRTH

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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E

ENTER YOUR TAX FILE NUMBER(S) - (OR EXEMPTION CATEGORY)

<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------

F

WRITE YOUR POSTAL ADDRESS HERE

NUMBER/STREET

SUBURB/TOWN

POSTCODE

<input type="text"/>	<input type="text"/>
----------------------	----------------------

G

WRITE YOUR CONTACT NUMBER

WORK

HOME/MOBILE/FAX

<input type="text"/>	<input type="text"/>
----------------------	----------------------

CONTACT NAME

PAYMENT DETAILS

H

WRITE THE DETAILS OF YOUR ACCOUNT INTO WHICH YOU WISH US TO PAY DISTRIBUTIONS

BSB NO.

ACCOUNT NO.

<input type="text"/>	<input type="text"/>
----------------------	----------------------

NAME & ADDRESS OF FINANCIAL INSTITUTION

NAME OF ACCOUNT HOLDERS

I

IF PAYING BY CHEQUE ENTER DETAILS OF YOUR CHEQUE HERE

TOTAL AMOUNT OF CHEQUE ENCLOSED

DRAWER

BANK

BRANCH

BSBNO.

AUS \$

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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The Ingwersen & Lansdown Securities Fund

ARSN 089 634 453

I/we acknowledge, agree and declare that:

- I/we have read and understood the PDS;
- The Manager may accept or reject this Application in whole or in part;
- If my/our Application is accepted, I/we agree to be bound by the constitution;
- Unless I/we have also completed the form of General Authority, then I will need to nominate a Mortgage Investment in which my investment will be made by completing item A on the Nomination attached to the investment Proposal and that pending such nomination and investment my funds will be held in the Investment Account
- Unless I/we have also completed the item C of this Application Form then I/we will not receive the benefit of Assurance;
- By this instrument, I/we jointly or severally appoint the Manager and any director, officer, attorney or substitute nominated by the manager as my/our attorney with all rights and powers conferred under Clause 4.5 of the constitution of the Fund;
- I/we recognise that the Manager is a separate legal entity to Ingwersen & Lansdown Solicitors. Neither Ingwersen & Lansdown Solicitors nor its partners take responsibility for the activities of the Manager or warrant any return of income or capital from any investment with the Manager; and.
- Where I have completed a General Authority in favour of the Manager I acknowledge that until I revoke the General Authority I can provide additional application money to the Manager for existing or additional Mortgage Investments without completing a fresh application form.

INDIVIDUALS

X
SIGN HERE

APPLICATION

X
SIGN HERE

JOINT APPLICANT #2

X
SIGN HERE

JOINT APPLICANT #3

DATE

COMPANY

X
SIGN HERE

DIRECTOR

X
SIGN HERE

SECRETARY/DIRECTOR

This Application Form is to be read with the PDS and the Investment Proposal to be provided by Ingwersen & Lansdown Securities Limited. Ingwersen & Lansdown Securities Limited will provide a copy of either or both of the other documents free of charge to a person who asks for a copy.

OFFICE USE ONLY

DATE RECEIVED

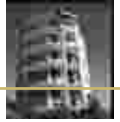
Details on form complete

Ingwersen & Lansdown Securities Limited

Per

DIRECTOR'S CONSENT

The directors of Ingwersen & Lansdown Securities Limited have consented to and authorised the issue of the PDS.



ANTHONY JOSEPH INGWERSEN

A handwritten signature in black ink, appearing to read 'A. Ingwersen', written in a cursive style.

DAVID BONAVENTURE INGWERSEN

A handwritten signature in black ink, appearing to read 'D. Ingwersen', written in a cursive style.

DAVID HARRIS LANSDOWN

A handwritten signature in black ink, appearing to read 'D. Lansdown', written in a cursive style.

BRETT HARRIS LANSDOWN

A handwritten signature in black ink, appearing to read 'B. Lansdown', written in a cursive style.



CORPORATE DIRECTORY



MANAGER

INGWERSEN & LANSDOWN SECURITIES LIMITED ACN 088 636 220
1065 Gold Coast Highway
(cnr. Palm Beach Avenue)
PALM BEACH QLD 4221
Tel: (07) 5534 2223
Fax: (07) 5534 2838



AUDITOR OF THE MANAGER AND THE FUND

Ernst & Young
Level 5
Waterfront Place
1 Eagle Street
BRISBANE QLD 4000



LAWYERS FOR THE MANAGER

McCullough Robertson
Lawyers
Level 11
Central Plaza Two
66 Eagle Street
BRISBANE QLD 4000