



# Product Disclosure Statement **[2023]** Ingwersen & Lansdown Securities Fund

ARSN: 089 634 453

Responsible Entity & Issuer  
Product Disclosure Statement Dated 20/4/2023

**Ingwersen &  
Lansdown**  
**SECURITIES**  
LIMITED  
ACN 088 636 220  
AFSL 241097

## Important Notice: General

Ingwersen & Lansdown Securities Limited ACN 088 636 220 (AFSL number 241097) ('Manager') is the responsible entity of the Ingwersen & Lansdown Securities Fund ARSN 089 634 453 ('Fund') and issuer of the Units in the Fund offered under this Product Disclosure Statement ('PDS') dated 20<sup>th</sup> April 2023. 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 contained in this PDS 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 (SPDS) in the form of an Investment Proposal which relates to a particular Mortgage Investment; and
- complete an Application Form.

The purpose of this PDS is to provide you with general information concerning the Fund and the Manager, to assist you in deciding whether to invest in the Fund and should be read in its entirety. This PDS is not to be considered as a recommendation by us or any of our officers, employees, agents or advisers that you invest in Units, or that an investment in the Fund is a suitable investment for you.

You should conduct and rely upon your own investigation and analysis of the information in this PDS and other matters that may be relevant to you in considering whether to acquire the Units. In considering an investment in Units you must make, and will be taken to have made, your own independent investigation and analysis of the information in this PDS. Independent expert advice (including from your accountant, lawyer or other professional adviser) should be sought before making a decision to invest in Units.

The Target Market Determination (TMD) for the Fund can be found on our website at [www.ilsl.com.au](http://www.ilsl.com.au) and we recommend you consider the TMD to ensure you form part of the target market for the Fund before investing.

## ASIC

ASIC as the regulator makes no statement nor does it endorse any statement made in this PDS. The use of the name ASIC should not be construed as an endorsement of any offer.

### Capital and investment returns are not guaranteed

The Manager, its officers and employees do not guarantee the performance of the Fund or the return of investment capital, if any (including any rate of return on capital). The assumptions underlying the financial information and the risk factors that could affect the financial performance of the Fund should be examined. An investment in the Fund is not a bank deposit, bank security, bank liability and is subject to investment risk, including the loss of, or delays in the payment of, income or capital.

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.

***In particular, some of the risks involved with an investment in the Fund are considered in section 2.***

### Offering restrictions

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 they:

- are an Australian citizen or resident in Australia, and located in Australia at the time of such application and are 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 if the transaction is 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.

### **Electronic PDS**

This PDS is available in electronic form via [www.ilsl.com.au](http://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 PDS 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 (07) 5589 2666. 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](http://www.ilsl.com.au).

### **No financial product advice**

The information contained in this PDS and the TMD is general information only and does not take into account your individual objectives, financial situation or needs. You should review this PDS carefully and assess whether the information is appropriate for you and talk to a financial adviser before making an investment decision.

### **Investors to provide further information**

Further information may be required from you from time to time to comply with our obligations under various legislation, including the Anti-Money Laundering & Counter-Terrorism Financing Act 2006 (Cth) ('AML/CTF Act'), the United States of America Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standards ('CRS'). By applying for Units under this PDS, you undertake to provide us with all additional information and assistance that we may reasonably require. We reserve the right to apply our absolute discretion and without notice, to take any action we consider appropriate including blocking or delaying transactions or refusing to provide services to comply with our legislative obligations, including under the AML/CTF Act.

Further, if requested, you agree, and it is a condition of the issue of Units, to provide certain information required by us in order to comply with any applicable law, including FATCA and CRS.

### **Privacy Act**

Please read the privacy statement in section 7.14. By signing and returning the Application Form you consent to the matters outlined in that statement.

### **Photographs & currency**

All financial amounts shown in this PDS are expressed in Australian dollars unless stated otherwise. 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.

### **Taxation**

Ingwersen & Lansdown Securities Limited is not licenced under the tax agent services regime and cannot provide tax advice to Investors. Taxation comments in the PDS are intended to be a general guide only and are not intended to be definitive advice, nor may they be relied upon as such. As the taxation outcomes will depend on individual Investors' personal circumstances, it is recommended that all Investors consult with their taxation adviser in relation to how these outcomes may apply to them.

**This document is important and should be read in its entirety.**

**Contact details:**

<b>Website</b>	<a href="http://www.ilsl.com.au">www.ilsl.com.au</a>
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<b>Phone</b>	(07) 5589 2666
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<b>Postal Address</b>	PO Box 187 Elanora, QLD 4221

## Table of Contents

	Section	Pg. #
	Offer at a Glance	Pg. 5
	ASIC Benchmark & Disclosure Principles	Pg. 6-14
1.	Investor Information	Pg. 15
2.	Investment Profile and Risk Awareness	Pg. 21
3.	The Manager	Pg. 27
4.	Fund Details	Pg. 28
5.	Fees and other costs	Pg. 30
6.	Taxation	Pg. 34
7.	Additional Information	Pg. 35
	Glossary	Pg. 40-41
	Appendix 1	Pg. 42-43
	Application & Identification Forms	Pg. 46-57
	Corporate Directory	Pg. 58

## Offer at a Glance

	Summary	Further Details
Investment Strategy	The Fund seeks to provide Investors with regular returns by investing funds raised in loans secured by mortgages over real property.	Section 1.1
Issue Price	Generally \$1.00 per Unit.	Section 7.5
Minimum Investment	\$20,000 and in multiples of \$5,000 thereafter.	Section 1.4
Distribution Rates	Historical Distribution rates (without Assurance) over the past 5 years were generally between 5% p.a. and 9.5% p.a. Past performance should not be relied upon as indicative of future performance.	Section 4.2
Liquidity of your Investment	You cannot liquidate your investment prior to maturity except in exceptional circumstances.	Sections 1.5 and 1.7
Investment Risk	Risk factors which may affect the financial performance of an investment in the Fund include Borrower default, specific risks relating to Mortgage Investments, fluctuations in the property market, general economic risks and general investment risks.	Section 2
Complaints	The Manager has established a dispute resolution process for Investors.	Section 7.7
Investor Communications	You will be entitled to receive the following information: <ul style="list-style-type: none"> <li>• confirmation of your investment and/or redemption(s);</li> <li>• a copy of the annual financial statements of the Fund; and;</li> <li>• a copy of any required tax statements.</li> </ul>	Pg. 47
Management Costs	7.04% per annum of the funds invested however the actual fees and costs are deducted from the income of the Fund. Any Distributions paid to you are net of these fees and expenses.	Sections 5.1 and 5.2
Australian Taxation	The Fund will not pay tax, but will distribute all Net Income each year to Unitholders. The taxable component of any Distribution will form part of your assessable income.	Section 6
Cooling-Off	There are cooling-off rights available to Investors.	Section 1.8
Income Assurance	Investors can arrange for their Distributions to be supported by obtaining Assurance from the Manager (subject to conditions).	Section 1.10 and Appendix 1

# ASIC Benchmark & Disclosure Principles

## Legislative background

ASIC has developed eight benchmarks and eight disclosure principles for unlisted mortgage schemes, being schemes which have, or are likely to have, at least 50% of their non-cash assets invested in loans that are secured by a mortgage over real property and/or unlisted mortgage schemes. These benchmarks and disclosure principles are set out in ASIC Regulatory Guide 45 ('RG45').

The benchmarks and disclosure principles are designed to help retail Investors to understand the risks, assess the potential rewards and to make an informed investment decision.

The following sections contain the benchmark disclosure and disclosure principles for the Fund.

For the purpose of keeping you informed about any significant changes to the benchmark and disclosure principle in this section, we will periodically (usually quarterly or as required) provide an update on this information on our website [www.ilsl.com.au](http://www.ilsl.com.au). For those Investors who cannot access our website, you can request a paper copy of an updated benchmark and disclosure principle report to be given to you (free of charge) by contacting us using the details in the Corporate Directory.

This Benchmark Disclosure is current as at 31 December 2022.

Benchmark	Has the criteria been met?	If not, why not?	PDS reference
<b>Benchmark 1: Liquidity</b>			
For a pooled mortgage scheme, the responsible entity has cash flow estimates for the scheme that: <ul style="list-style-type: none"> <li>(a) demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;</li> <li>(b) are updated at least every three months and reflect any material changes; and</li> <li>(c) are approved by the Directors of the responsible entity at least every three months.</li> </ul>	Not applicable	The Ingwersen & Lansdown Securities Fund (Fund) is not a pooled mortgage scheme and therefore this Benchmark is not applicable.	Not applicable
<b>Benchmark 2: Fund Borrowing</b>			
The responsible entity does not have current borrowings and does not intend to borrow on behalf of the Fund.	No	<p>The Fund does not currently have any borrowings. The Fund does not undertake borrowings secured against the full portfolio of mortgage investments. Ingwersen &amp; Lansdown Securities Limited (Manager) may in particular circumstances undertake borrowings secured against a particular Mortgage Investment. In those circumstances the particulars of the borrowing facility will be disclosed to the affected Investors in the Investment Proposal or any supplementary Investment Proposal.</p> <p>Borrowings may be used to assist in the completion of the Mortgage Investment (advancing further money to the Borrower) or funding distributions to Investors in that particular Mortgage Investment.</p> <p>As a result, the financier's right to repayment of the funds it has advanced under the facility ranks ahead of Investors' entitlement to distributions or any return capital in the particular Mortgage Investment.</p> <p>Any such facility is only limited to the particular Mortgage Investment and not other Mortgage Investments within the Fund.</p> <p>The Manager (or related entities of the Manager) may also borrow money to fund the payment of distributions. In those circumstances the financier will have no recourse to the assets of the Fund, however the Manager will be entitled to be repaid the money advanced from the loan (when it is repaid) in priority to the Investors in that Mortgage Investment.</p>	2.16

Benchmark	Has the criteria been met?	If not, why not?	PDS reference
<b>Benchmark 3: Portfolio Diversification</b>			
<p>For a pooled mortgage scheme:</p> <p>(a) the scheme holds a portfolio of assets diversified by size, Borrower, class of Borrower activity and geographic region;</p> <p>(b) the scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets;</p> <p>(c) the scheme has no single Borrower who exceeds 5% of the scheme assets; and</p> <p>(d) all loans made by the scheme are secured by first mortgages over real property (including registered leasehold title).</p>	Not applicable	The Fund is a contributory mortgage scheme and is not required to comply with this Benchmark.	4.3
<b>Benchmark 4: Related Party Transactions</b>			
The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager.	Yes	<p>The Manager has not entered into any related party transactions where Investors' funds are used for loans to related parties.</p> <p>The Manager and related entities may take second mortgage positions behind loans undertaken by the Fund using their own funds.</p> <p>The Manager in its own right or via related entities may provide funding to the Fund in order to meet Assurance obligations.</p> <p>The Manager, its Directors, officers and other related parties may hold Units in the Fund from time to time. Where this occurs, Units will be acquired on the same terms as any other Investor in the Fund.</p> <p>Ingwersen &amp; Lansdown Solicitors and other entities associated with the Manager may provide services to the Fund or the Manager. The arrangements for these services are reviewed annually to ensure they remain on commercial arm's length terms.</p>	7.8 and 7.9



Benchmark	Has the criteria been met?	If not, why not?	PDS reference
<b>Benchmark 5: Valuation Policy</b>			
<p>In relation to valuations for the scheme's mortgage assets and their security property, the board of the responsible entity requires:</p> <ul style="list-style-type: none"> <li>(a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;</li> <li>(b) a valuer to be independent;</li> <li>(c) procedures to be followed for dealing with any conflict of interest;</li> <li>(d) the rotation and diversity of valuers;</li> <li>(e) in relation to security property for a loan, an independent valuation to be obtained: <ul style="list-style-type: none"> <li>(i) before the issue of a loan and on renewal: <ul style="list-style-type: none"> <li>(A) for development property, on both an 'as is' and 'as if complete' basis; and</li> <li>(B) for all other property, on an 'as is' basis; and</li> </ul> </li> <li>(ii) within two months after the Directors form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant.</li> </ul> </li> </ul>	No	<p>The Manager's valuation policy can be summarised as follows:</p> <ul style="list-style-type: none"> <li>(a) valuation reports for any loan must not be older than three months prior to the date of the initial advance;</li> <li>(b) a new valuation will be obtained in circumstances where a loan has been rolled over after its maturity date;</li> <li>(c) relevant details of valuations are disclosed in the Investment Proposal in relation to each particular loan;</li> <li>(d) valuations are valued on an 'as is' basis and for development property also on an 'as if complete' basis;</li> <li>(e) valuations are comprehensive and contain reasonable assumptions;</li> <li>(f) valuations are conducted by persons authorised to practice as a valuer or licensed real estate agent and who certify the valuation complies with all relevant industry codes and standards; and</li> <li>(g) the Manager has a panel of authorised valuers which it believes has the appropriate qualifications and experience to determine the value of the secured property.</li> </ul> <p>The Manager does not satisfy the benchmark as, in certain limited circumstances (where the loan to value ratio is less than 35%), the Manager may undertake a Mortgage Investment without a formal valuation.</p> <p>The Manager does not have a policy which limits one valuer to valuing no more than one-third of all security properties. The Manager has through 23 years of experience determined that the quality of valuations can vary dramatically.</p> <p>As such the Manager retains a select panel of experienced valuers who have a demonstrated track record of providing the Manager with appropriate valuations. Due to the Manager's conservative approach they do not meet the benchmark requirement for rotation and diversity of valuers.</p>	1.2 and 2.4 to 2.6

Benchmark	Has the criteria been met?	If not, why not?	PDS reference
<b>Benchmark 6: Lending Principles – Loan to Valuation Ratios</b>			
<p>If the scheme directly holds mortgage assets:</p> <p>(a) where the loan relates to property development - funds are provided to the Borrower in stages based on independent evidence of the progress of the development;</p> <p>(b) where the loan relates to property development – the scheme does not lend more than 70% on the basis of the latest ‘as if complete’ valuation of property over which security is provided; and</p> <p>(c) in all other cases – the scheme does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.</p>	No	<p>Loans secured by a mortgage will generally be no more than 66.6% of the value (incl. GST) of the secured property.</p> <p>For all registered first mortgages provided to Borrowers, the Manager will maintain the following maximum LVRs:</p> <ul style="list-style-type: none"> <li>• where the loan relates to property development – 70% on the basis of the latest ‘as if complete’ valuation (incl. GST); and</li> <li>• in all other cases – 80% on the basis of the latest market valuation (incl. GST).</li> </ul> <p>Where the loan relates to property development, loan funds are advanced progressively against the ‘as is’ and ‘on completion’ values provided the quantity surveyor (or other suitably qualified person) has assessed each claim. Appropriate loan funds will be withheld on a cost to complete basis as advised by the quantity surveyor (or other suitably qualified person) to complete the project with the existing builder or contractor less any contributions to be made by the Borrower as disclosed in the Investment Proposal.</p> <p>The benchmark is not satisfied because where the property is secured by a registered second mortgage, the relevant LVRs may be higher than that set out above. However, these loans will only be offered to Investors under an Investment Proposal which contains full disclosure of the risks associated with registered second mortgages.</p>	2.8 and 2.13
<b>Benchmark 7: Distribution Practices</b>			
<p>The responsible entity will not pay current distributions from scheme borrowings.</p>	Yes	<p>Distribution rates for the Fund are variable for each Mortgage Investment and are dependent upon the Borrower meeting its loan commitments for the particular Mortgage Investment.</p> <p>The Investment Proposal will disclose the likely distribution rate but this is not a forecast. This distribution rate represents the Borrower’s contractual obligations under the loan agreement and whether this distribution rate is paid from the Mortgage Investment will be dependent on the Borrower meeting its loan commitments.</p> <p>Generally, where the Mortgage Investment has the interest on the loan capitalised this will be disclosed. Interest capitalised means the loan advanced includes the estimated interest payable on the loan and the estimated interest is retained by the Manager to meet, amongst other things, estimated distribution payments during the agreed term of the loan.</p> <p>The Manager will pay Distributions from the interest payable by the Borrower. However, if a Borrower does not meet its interest payment obligations, the Manager may obtain finance to pay Distributions, though the Fund does not currently have any borrowings.</p>	1.3, 1.16-1.18 and 4.2

Benchmark	Has the criteria been met?	If not, why not?	PDS reference
<b>Benchmark 8: Withdrawal Arrangements</b>			
<p>For liquid schemes:</p> <p>(a) the maximum period allowed for in the Constitution for the payment of withdrawal request is 90 days or less;</p> <p>(b) the responsible entity will pay withdrawal requests within the period allowed for in the Constitution; and</p> <p>(c) the responsible entity only permits members to withdraw at any time on request if at least 80% (by value) of the scheme property is:</p> <p style="margin-left: 20px;">i) money in an account or on deposit with a bank and is available for withdrawal immediately, or otherwise on expiry of a fixed term not exceeding 90 days, during the normal business hours of the bank; or</p> <p style="margin-left: 20px;">ii) assets that the responsible entity can reasonably expect to realise for market value within 10 business days.</p> <p><b>Non-liquid Schemes</b></p> <p>For non-liquid schemes, the responsible entity intends to make withdrawal offers to Investors at least quarterly.</p>	Not Applicable	The Fund is a contributory mortgage scheme. Where an Investor's funds have been applied to a Mortgage Investment, the Investor has no right to withdraw from the Fund until the loan to which the Mortgage Investment relates has been repaid. However, where an Investor's monies have not been used in a Mortgage Investment the Investor may withdraw all or part of their monies, provided that each withdrawal request is \$5,000 or more. Therefore, this Benchmark is not applicable to the Fund.	1.5,1.7, and 2.13

# Disclosure Principles

Set out below is the Fund's report against the disclosure principles current as at 31 December 2022.

Disclosure Principle	Details	PDS reference
<b>Disclosure Principle 1: Liquidity</b>		
<p>For pooled mortgage schemes, the responsible entity should disclose information about:</p> <ul style="list-style-type: none"> <li>(a) the current and future prospects of liquidity of the scheme;</li> <li>(b) any significant risk factors that may affect the liquidity of the scheme; and</li> <li>(c) the policy of the scheme on balancing the maturity of its assets with the maturity of its liability.</li> </ul>	<p>The Fund is a contributory mortgage scheme and therefore this disclosure principle is not applicable.</p>	2.12
<b>Disclosure Principle 2: Scheme Borrowing</b>		
<p>If the scheme has borrowings, the responsible entity should disclose:</p> <ul style="list-style-type: none"> <li>(a) for borrowings due in less than two years – the total debts due and their maturity profile, undrawn credit facility and whether refinancing or sale of assets is likely during this period;</li> <li>(b) for borrowings due in between two and five years – the total debts due and their maturity profile for each 12 month period and undrawn credit facility;</li> <li>(c) for borrowings due after five years – the total debts due;</li> <li>(d) why the responsible entity has borrowed the money, including whether the borrowed funds will be used to fund distributions or withdrawal requests;</li> <li>(e) any material loan covenant breaches;</li> <li>(f) the fact that amounts owing to lenders and other creditors of the scheme rank before an Investor's interest in the scheme; and</li> <li>(g) the risks associated with the scheme's borrowing and credit facility maturity profile.</li> </ul>	<p>The Fund does on occasion borrow but does not currently have any borrowings. Any borrowings are made against a particular loan to which it relates and not secured against all the assets of the Fund. Where the Fund borrows, that borrowing and details of the loan will be specifically disclosed in the Investment Proposal provided to Investors.</p>	2.16
<b>Disclosure Principle 3: Loan Portfolio and Diversification</b>		
<p>For pooled mortgage schemes the responsible entity should disclose the nature of the scheme's investment portfolio.</p>	<p>The Fund is a contributory mortgage scheme. Accordingly, this disclosure principle does not apply. However, details in relation to the Fund's mortgage portfolio are set out in section 4.3 of this PDS.</p>	4.3

Disclosure Principle	Details	PDS reference
<b>Disclosure Principle 4: Related Party Transaction</b>		
<p>If the responsible entity enters into related party transactions, the responsible entity should disclose details of these transactions including:</p> <ul style="list-style-type: none"> <li>(a) the value of the financial benefit;</li> <li>(b) the nature of the relationship;</li> <li>(c) whether the arrangement is on arm's length terms, is reasonable remuneration or some other exception applies;</li> <li>(d) whether member approval for the transaction has been sought and, if so, when;</li> <li>(e) the risks associated with related party arrangements; and</li> <li>(f) the policies and procedures that the responsible entity has in place for entering into related party transactions including how compliance with these policies and procedures is monitored.</li> </ul>	<p>The Manager has not entered into any related party transactions where Investors' funds are used for loans to related parties. If the Manager decided to undertake a related party loan, prior to the Manager proceeding:</p> <ul style="list-style-type: none"> <li>• the transaction would be fully disclosed to potential Investors in the Investment Proposal; and</li> <li>• this Benchmark Disclosure would be updated to include details of the transaction and the processes used by the Manager to monitor related party transactions.</li> </ul> <p>The Manager and related entities may take second mortgage positions behind loans undertaken by the Fund using their own funds. The Manager in its own right or via related entities may provide funding to the Fund in order to meet Assurance obligations. The Manager, its Directors, officers and other related parties may hold Units in the Fund from time to time. Where this occurs, Units will be acquired on the same terms as any other Investor in the Fund. Ingwersen &amp; Lansdown Solicitors and other entities associated with the Manager may provide services to the Fund or the Manager. The arrangements for these services are reviewed annually to ensure they remain on commercial arm's length terms and, as they are on arm's length terms, Unitholder approval was not required for such arrangements. The fees and costs paid to related parties do not exceed the management costs as disclosed in each Investment Proposal. The key risks associated with engaging our related or associated entities to provide services for the Fund is that we may fail to sufficiently monitor the performance and provision of services by those entities to the detriment of Unitholders.</p> <p>Before entering a service agreement, the Manager must satisfy itself:</p> <ul style="list-style-type: none"> <li>a) that the fees to be paid are equivalent to that of a third party at arm's length;</li> <li>b) at least one quote in addition to that of the related party is obtained so as to satisfy itself that the related party transaction is on commercial terms at arm's length; and</li> <li>c) the Manager must review the service agreement annually.</li> </ul>	7.8 and 7.9
<b>Disclosure Principle 5: Valuation Policy</b>		
<p>For a contributory mortgage scheme, the responsible entity only needs to provide an Investor with information about the valuation of the property securing a loan in which the Investor has or has been offered an interest.</p>	<p>The Investment Proposal provided to each Investor contains specific information in relation to a specific Mortgage Investment, which includes information about the valuation of the Secured Property.</p>	1.13, 2.4, 2.5 and 2.6

Disclosure Principle 6: Lending Principles – Loan to Valuation Ratios																																																		
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<p>If the scheme directly holds mortgage assets, the responsible entity should disclose:</p> <p>(a) the maximum and weighted average loan to value ratios for the scheme;</p> <p>(b) where funds are lent for property development:</p> <p>i) the criteria against which funds are drawn down;</p> <p>ii) the percentage by value of the completion of any property that is under development as at the date of reporting; and</p> <p>iii) the loan to costs ratio of each property development loan as at the date of reporting.</p> <p>The responsible entity should also disclose the percentage of the scheme's assets that are property development loans. If property development loans exceed 20% of the scheme's assets, the responsible entity should identify the scheme as one that invests a significant component of funds in property development loans. If the loan to cost ratio of any property development loans exceeds 75% this should be highlighted.</p>	<p>The weighted average loan to value ratio for the Fund is 61.58% and the maximum loan to valuation ratio for the Fund is 65.56% excl. GST as at 31 December 2022. Where a loan relates to property development loan funds are advanced progressively against the 'as is', and 'on completion' values provided by a quantity surveyor (or other suitably qualified person) who has assessed each claim. Appropriate loan funds are withheld in order to complete the development.</p> <p>Set out below is a summary of the Fund's property development loans as at 31 December 2022. Property development loans comprised 74% of the Fund's assets by value as at that date and therefore the Fund is a scheme with a significant component of its Mortgage Investments in property development loans.</p> <table border="1"> <thead> <tr> <th>Description of Loan</th> <th>Percentage (by value) of completion of development</th> <th>Loan to Cost Ratio</th> <th>Loan to Value Ratio</th> </tr> </thead> <tbody> <tr> <td>Construction &amp; Development - 7 stage estate of 155 townhouses and 27 freestanding detached residential dwellings</td> <td>78.72%</td> <td>50.85%</td> <td>64.69%</td> </tr> <tr> <td>Construction - 3 residential units</td> <td>100.00%</td> <td>54.37%</td> <td>65.40%</td> </tr> <tr> <td>Construction - 3 residential townhouses</td> <td>99.08%</td> <td>58.64%</td> <td>62.30%</td> </tr> <tr> <td>Purchase security property &amp; development land subdivision of 17 lots</td> <td>41.96%</td> <td>51.58%</td> <td>65.56%</td> </tr> <tr> <td>Construction - 122 residential units</td> <td>35.43%</td> <td>88.45%</td> <td>59.87%</td> </tr> <tr> <td>Construction - 5 residential townhouses</td> <td>76.22%</td> <td>62.71%</td> <td>64.17%</td> </tr> <tr> <td>Construction - 63 residential units</td> <td>30.37%</td> <td>88.20%</td> <td>64.49%</td> </tr> <tr> <td>Construction - 4 residential townhouses</td> <td>4.87%</td> <td>76.30%</td> <td>53.92%</td> </tr> <tr> <td>Construction - 4 residential townhouses</td> <td>19.13%</td> <td>69.82%</td> <td>56.02%</td> </tr> <tr> <td>Construction - 39 residential units, 2 medical suites</td> <td>57.13%</td> <td>38.09%</td> <td>62.74%</td> </tr> <tr> <td>Construction - 9 residential houses</td> <td>2.23%</td> <td>86.59%</td> <td>63.35%</td> </tr> </tbody> </table>	Description of Loan	Percentage (by value) of completion of development	Loan to Cost Ratio	Loan to Value Ratio	Construction & Development - 7 stage estate of 155 townhouses and 27 freestanding detached residential dwellings	78.72%	50.85%	64.69%	Construction - 3 residential units	100.00%	54.37%	65.40%	Construction - 3 residential townhouses	99.08%	58.64%	62.30%	Purchase security property & development land subdivision of 17 lots	41.96%	51.58%	65.56%	Construction - 122 residential units	35.43%	88.45%	59.87%	Construction - 5 residential townhouses	76.22%	62.71%	64.17%	Construction - 63 residential units	30.37%	88.20%	64.49%	Construction - 4 residential townhouses	4.87%	76.30%	53.92%	Construction - 4 residential townhouses	19.13%	69.82%	56.02%	Construction - 39 residential units, 2 medical suites	57.13%	38.09%	62.74%	Construction - 9 residential houses	2.23%	86.59%	63.35%	
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<p>If a responsible entity is making or forecasting distributions to members it should disclose:</p> <p>(a) the source of the current and forecast distributions;</p> <p>(b) if the distribution is not solely sourced from income received in the relevant distribution period, the reason for making those distributions and the risk associated with such distributions;</p> <p>(c) if the distribution is sourced other than from income, whether this is sustainable over the next 12 months; and</p> <p>(d) when the responsible entity will pay distributions and the frequency of payment of distributions.</p>	<p>Distribution rates for the Fund are variable for each Mortgage Investment and are dependent upon the Borrower meeting its loan commitments for the Mortgage. The Investment Proposal will disclose the likely Distribution rate, but this is not a forecast. This Distribution rate represents the Borrower's contractual obligations under the loan agreement. Whether this Distribution rate is paid under the Mortgage Investment will be dependent on the Borrower meeting its loan commitments. Distribution payments are generally sourced from a Borrower's loan repayments. However, where repayments are capitalised, Investors' distributions will be sourced from a capital reserve set aside to fund distribution on the Mortgage Investment. This is necessary because where interest is capitalised on a loan, the Borrower will only be required to repay the loan amount and interest owing at a certain point in time specified under the loan agreement, instead of making regular principal and interest payments. Distributions are generally paid monthly in arrears, though the proposed Distribution arrangements for a particular Mortgage Investment are disclosed in the relevant Investment Proposal.</p>	<p>1.3, 1.16-1.18, 4.2</p>																																																

Disclosure Principle	Details	PDS reference
<b>Disclosure Principle 8: Withdrawal Arrangements</b>		
<p>The responsible entity should disclose:</p> <ul style="list-style-type: none"> <li>(a) the scheme to withdraw policy and any rights that the responsible entity has to change the policy;</li> <li>(b) any significant risk factors or limitations that may affect the ability of Investors to withdraw from the scheme;</li> <li>(c) how Investors can exercise their withdrawal rights.</li> </ul>	<p>Generally, Investors are only able to withdraw their investment in a Mortgage Investment once the loan has been repaid by the Borrower. Unless a substitute Investor can be found, it is not possible to withdraw your investment during the term of a Mortgage Investment. Where the Mortgage Investment is for a construction or development loan it may be repaid during the term of the Mortgage Investment. Where this occurs the Manager may redeem the investment of some Investors prior to expiry of their fixed investment term.</p> <p>Where an Investor's monies have not been used in a Mortgage Investment, the Investor may withdraw all or part of their monies, provided that each withdrawal request is \$5,000 or more.</p>	<p>1.5, 1.7, 5.1, 5.3</p>

# 1. Investor Information

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

There are several benefits of investing in a Mortgage Investment:

- Subject to available funds, you will receive a monthly Distribution payment deposited directly into your nominated bank account.
- Your funds are invested for a relatively short term (generally 12 to 18 months) which gives you flexibility and allows you to adjust your investments.
- We have extensive management experience in investing in Mortgage Investments, having managed over \$2 billion in loans since 1999.
- All costs associated with the establishment of a Mortgage Investment are paid by the Borrower.
- You can choose between selecting your own investment contribution 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 has the potential to provide 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 upfront costs;
- bad tenants;
- property maintenance;
- insurance;
- rates;
- capital gains tax;
- unreliable returns; and
- non-performance.

All investments are subject to risk. Some of the risks associated with investing in the Fund include:

- Borrowers defaulting on their loan repayments; and
- the value of the Security Property offered by the Borrower to secure their loan being less than the amount owing under the loan, in circumstances where the Manager is forced to take possession of the Security Property as a result of Borrower default.

For further information about the risks associated with investing in the Fund refer to section 2.10.



## 1.2 How Secure is a Mortgage Investment?

In order to ensure that the Fund's Mortgage Investments are adequately secured, we have established the following lending principles:

- the total of all money lent and secured over the Security Property generally does not exceed 66.6% of the value (incl. GST) 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 to the Fund has priority over all other debts (excluding any statutory charges such as rates, GST, foreign residents withholding capital gains tax and land tax and if the security is a unit, body corporate levies). We check rates, land tax and body corporate levies owing 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 are conducted on the Security Property to protect your investment. We are a member of Equifax Pty Ltd (formerly Veda 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 act 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 4.2. 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 a larger amount, we strongly recommend that your funds be divided amongst two or more Mortgage Investments. This diversity spreads 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 to 18 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 minimum 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 been returned to you.

Where the Mortgage Investment is a loan for construction or development some of the principal of the loan may be repaid during the term of the Mortgage Investment as parts of the development are sold by the Borrower. Where this occurs the Manager will either:

- pay the Manager's costs and expenses incurred in connection with performing its obligations or exercising its powers under the Constitution;
- redeem the investments of some Investors who have nominated in the Additional Options section of their Application Form they would prefer to have their investment repaid at the earliest opportunity. Investors who have not nominated for an early return will remain invested in the Mortgage Investment until the loan is repaid. Where additional principal loan funds are available the Manager may allow Investors' funds to be redeemed early;
- or
- return a proportion of all Investors' funds pro rata to the amount they have invested in the particular Mortgage Investment.

The risks associated with this arrangement are explained in section 2.13.

## **1.6 Where are your monies held pending Mortgage investment?**

Your Application Monies are held in an Investment Account pending the issue of Units in the Fund. All interest that accrues on these monies is paid to the Manager. An Applicant's Application Monies may only be held in this account for up to one month, Application Monies held after this time must be returned to the Applicant.

On the issue of Units 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 the rate as set out in section 4.5 (updated quarterly on our website at [www.ilsl.com.au](http://www.ilsl.com.au)) whilst your investment monies are held in this account except where the amount of interest is less than \$20 per month 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 three months. If they are still in this account at the end of the three month period, the monies must be returned to you.

Once your investment monies are invested in a Mortgage Investment, you will be entitled to receive the Distribution rate set out in the Investment Proposal for that Mortgage Investment (assuming the Borrower meets its interest commitments) for the duration of that loan.

## **1.7 Can you withdraw your money?**

Generally, Investors' funds will be repaid once the Borrower has repaid their loan. It is not possible to withdraw your investment during the term of a Mortgage Investment unless the Manager agrees and a substitute Investor can be found. 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. The Manager must be given five business days written notice prior to processing withdrawal requests.

## **1.8 Is there a cooling-off period?**

Yes. A 14 day-cooling off period applies for the issue of Units following an Application during which you may change your mind about applying for Units and request the return of your application money in writing or by email. Generally, the cooling-off period runs for 14 days from the earlier of either the time the issue of your Units is confirmed, or the end of the fifth business day after your Units are issued.

However, your cooling-off rights cease to apply if you have invested in a Mortgage Investment. Also, no cooling-off applies if you are investing in the Fund as a wholesale client (as defined in the Corporations Act).

In addition, where you have completed the General Authority box on the Application Form allowing the Manager discretion to select which Mortgage Investments your funds will be applied to, and 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 three days after we post it to you. To exercise your right of withdrawal, you must notify us in writing 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

day period mentioned, no fees will be charged and your funds will be available for reinvestment in another Mortgage Investment or returned to you within seven business days of us receiving your notice of withdrawal. This facility does not apply if you mark Select Mortgage Investment on the Application Form.

## **1.9 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). The structure of our loan interest rates and lending terms provide 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.

In the event the Borrower is late with their interest payments, the Borrower may be obliged to pay interest at a higher rate than the rate payable where there has not been any default.

If you are an Investor without Assurance and the Borrower of your funds is in arrears for 14 days, we will notify you in writing within three business days that the loan is in arrears and advise what steps we are instigating. If you are an Investor with Assurance, the arrears of the Borrower will not immediately impact 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 monies do not constitute a loan to the Borrower. However, there is an obligation on the Fund to repay in priority to the Investors' funds these monies to the Manager where:

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

A Borrower is obliged to pay these monies 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 monies. In such circumstances, an Investor shall be entitled to Distributions at a rate equal to the lower rate of interest 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.

In the case where the Fund receives interest at a higher rate and the Manager has elected to pay to the Fund an amount equal to the Borrower's lower interest payments, the Manager shall be entitled to be paid by the Fund all interest monies received by the Borrower.

In the case where the Fund received interest at a high rate and the Manager has elected not to pay the Fund the amount of the Borrower's lower interest payments, then the Fund (and therefore Investors in the applicable Mortgage Investment, excluding those Investors with Assurance) will be entitled to all interest monies if and when it is paid by the Borrower.

## **1.10 What is Assurance?**

Assurance allows Investors to receive their monthly interest distributions in times where the Borrower fails to pay the Interest due under the mortgage Investment by the due date. While this only occurs occasionally, Assurance will be able to assist Investors in such circumstances. 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 7% p.a. for the term of the Mortgage Investment, an Investor with Assurance would receive 6% p.a. in accordance with the terms and conditions set out in the Assurance agreement.

Further details of the Assurance fees are provided in each Investment Proposal.

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

### **1.11 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 (concessional) 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 concessional 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.

### **1.12 What happens if the Borrower defaults (generally)?**

In the event the Borrower fails to remedy a default within a timeframe acceptable to us we may commence procedures to complete the development where we believe it is appropriate and thereafter 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 loan agreement, security documents and Fund's Constitution. By lending generally no more than 66.6% of the value (incl. GST) 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.

### **1.13 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 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 Distribution rate (subject to the Borrower making interest payments), 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.

### **1.14 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 by ticking the appropriate box in the Application Form giving us the power to choose which Mortgage Investment your funds will be invested in.

If you elect to give us a General Authority, we will send you an Investment Proposal prior to the commencement of the Mortgage Investment we choose on your behalf. We note you will still have 14 days in which to notify us should you

not wish to invest in that particular Mortgage Investment. 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.

### **1.15 What happens after I complete a General Authority?**

The General Authority recognises, amongst other things that you confer, full authority 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.

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 one Investor who has given the Manager a General Authority and whose monies are available for investment, then the Manager uses the following criteria in allocating Units:

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

### **1.16 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 (assuming the Borrower meets all interest commitments) is fixed for the term of that particular mortgage. The Borrower always has the right to repay the mortgage early, however, if this occurs we will endeavour to place your funds into a new Mortgage Investment.

Whilst your monies are not invested in a Mortgage Investment your Distribution rate will be as set out in section 4.5 of this PDS and updated quarterly and as required on our website at [www.ilsl.com.au](http://www.ilsl.com.au).

### **1.17 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. Distribution rates for each Mortgage Investment are not a forecast and will be dependent on the Borrower meeting its loan commitments. Historical Distribution rates are set out in section 4.2 of the PDS.

### **1.18 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 paid by cash or cheque.

## **2. Investment Profile and Risk Awareness**

### **2.1 What are our investment aims?**

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

### **2.2 What is the investment time horizon?**

Mortgage Investments are generally for a term of 12 to 18 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, Victoria and other Australian states and territories (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 as at 31 December 2022

We accept 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 'as if complete/on completion' valuation.

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

An 'as if complete/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 and in circumstances where both the parties have each acted knowledgeably, prudently and without compulsion assuming the proposed development has been completed according to the plans and specifications in a proper workmanlike manner.

Our valuers use four 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.

#### **Residual Hypothetical Development Method**

This is used when a property has development or redevelopment potential.

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, subject to qualifications and specific risks as disclosed in this PDS and in the relevant Investment Proposal, 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 once completed 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 How often are valuations obtained?**

Valuation reports for any loan must not be older than three months prior to the date of the initial advance. New valuations will be obtained in circumstances where a loan has been rolled over after its maturity date.

Relevant details of valuations are disclosed in the Investment Proposal in relation to each particular loan.

## **2.6 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 practise as a valuer or licensed real estate agent under the law of the State or Territory where the valuation takes place;
- has in our view appropriate experience in valuations; and
- certifies the valuation complies with all relevant industry codes and standards.

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 can decide whether you wish to invest in the particular loan. This type of loan also carries its own particular investment risks and you should read carefully section 2.10.

The Manager does not have a policy which limits one valuer to valuing no more than a third of all security properties. The Manager has through 20 years of experience determined that the quality of valuations provided can vary dramatically. As such the Manager retains a select panel of valuers who have a demonstrated track record of providing the Manager with appropriate valuations.

In certain limited circumstances (where the LVR is less than 35%) the Manager may undertake a Mortgage Investment without formal valuation. Where this occurs it will be disclosed in the relevant Investment Proposal.

## **2.7 What defaults have we had?**

Section 4.40 includes details of the defaults which are current in the Fund as at 31 December 2022.

Historically we have on most occasions been successful in dealing with defaults but it cannot be guaranteed that any future default will be fully discharged.

## 2.8 What are our main loan assessment criteria?

Our main criteria are:

- the Borrower's proposed arrangements to service and repay the loan;
- for all registered first mortgages provided to Borrowers, the Manager will maintain the following LVRs:
  - where the loan relates to property development – 70% on the basis of the latest 'as if complete' valuation (incl. GST); and
  - in all other cases, 80% on the basis of the latest market valuations (incl. GST);
- where the property is secured by a registered second mortgage, the relevant LVRs may be higher than that set out above, however, these loans will only be offered to Investors under an Investment Proposal which contains full disclosure of the risks associated with registered second mortgages;
- the loan secured by the mortgage will generally be no more than 66.6% of the value (incl. GST) 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 held over real property;
- the mortgage must be in our name;
- valuations must not be dated earlier than three months prior to loan approval; 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.

## 2.9 Can the loan repayment date be varied?

A Borrower may repay the whole of a loan at any time.

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 four 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 set out in 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 or the Borrower placed into default if they are not able to repay the loan.

## 2.10 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, but not limited to:

- 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 i.e. Construction supply restrictions or neighbouring property changes etc.



- 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;
- the financial viability of the builder;
- changes in the level of interest rates. For example, an increase in the market interest rates above the rate fixed in the loan to the Borrower 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 2.13);
- 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 risks will be set out in the Investment Proposal.

## **2.11 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 Fund's ability to provide loan advances at a higher LVR compared with traditional lending ceilings 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.

## **2.12 How we monitor cash flow position of Fund**

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

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

Development and construction loans by their nature are generally riskier than other types of loans. If a builder or contractor fails to complete a construction project for whatever reason, it will not be possible to engage another builder or contractor to complete the project for the cost to complete as previously reported by the quantity surveyor. In such circumstances, 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. However, additional funds will only be loaned by us if the funds will be repaid in priority to Investors' loan funds (see section 2.16).

If there is a delay in completion of construction because of things such 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 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.

Where a loan relates to property development or construction, loan funds, in most cases, are advanced progressively against 'as is' and 'as if complete/on completion' valuations provided a quantity surveyor (or other suitably qualified person) has assessed the cost of each stage of the project and the quantity surveyor (or other suitably qualified person) has confirmed each stage is complete. Appropriate loan funds will be withheld on a cost to complete basis as advised by the quantity surveyor (or other suitably qualified person) to complete the project with the existing builder or contractor.

Where the Mortgage Investment is a loan for construction or development some of the principal of the loan may be repaid during the term of the Mortgage Investment as parts of the development are sold by the Borrower. Where this occurs the Manager will either:

- redeem the investments of some Investors who have nominated in the Additional Options section of their Application Form they would prefer to have their investment repaid at the earliest opportunity. Investors who have not nominated for an early return will remain invested in the Mortgage Investment until the loan is repaid. Where additional principal loan funds are available the Manager may choose Investors to be redeemed early; or
- a pro rata return is paid to all Investors' funds in proportion to the amount they have invested in the particular Mortgage Investment.

Where the Manager does redeem some Investors early, the Manager will only do so where the Manager reasonably considers at that time the remaining security for the Mortgage Investment will be sufficient to repay all Investors' funds. There is a risk however that changes in the value of the Security Property during the remaining term of the Mortgage Investment may result in those Investors who remain in the Mortgage Investment not receiving all their investment. Delays in selling newly constructed properties can affect a Borrower's capacity to make loan repayments. Other specific risks associated with the Mortgage Investment will be disclosed in the Investment Proposal.

All investments involve risk; the Manager does not guarantee any Investor will have their investment repaid early or in full.

## **2.14 Do all valuers hold professional indemnity insurance?**

The failure of a valuer to hold adequate professional indemnity insurance is a significant risk which should be carefully considered by you. This risk arises where the valuer has incorrectly valued the Security Property and where the loan goes into default, 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 is critical to ensuring the return of your funds. There is a risk that the valuer may have inadequate professional indemnity insurance, for example where the policy has a large number of exclusions and/or requires the valuer to pay a large excess for any claim. Similarly, where a valuer does not hold professional indemnity insurance this should be considered a risk. If a valuer does not confirm that they hold professional indemnity insurance, it will be disclosed in the relevant Investment Proposal so that you can decide whether you wish to invest in the particular loan.

## **2.15 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 type 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 prior first ranking mortgagee will have priority to repayment of its loan before second ranking mortgagees. Therefore, if a Secured Property is sold, the proceeds of the sale will first be applied to the first mortgage and then any remainder paid to the second mortgage and finally the Borrower;
- 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 a registered security interest over the Borrower's assets, as well as obtaining guarantees.

## 2.16 Can the Fund borrow?

Under the Constitution, the Manager:

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

The Manager may borrow funds on behalf of the Fund with approval of the Directors. The maximum limit for borrowings is \$10,000,000 or 25% of the assets of the Fund, whichever is the greater.

The Manager on behalf of the Fund may exercise its power to borrow in such circumstances as it considers appropriate including but not limited to, the following situations:

- to assist with cash flows on a particular Mortgage Investment from time to time for example, to pay Distributions where the Borrower is late in making loan repayments;
- to facilitate entering into other Mortgage Investments;
- to preserve and protect the assets of the Fund, including the expenditure of such monies as shall in the Manager's 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 contributions 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 or Supplementary Product Disclosure Statement (SPDS).

As at 31 December 2022 the Fund does not have any borrowings secured against Mortgage Investments.

Lender	Facility Limit	Amount Drawn Down	Interest Rate (Fixed or Variable)	Facility's Profile Maturity		Maturity Date
				12 mths	24 mths	
No Borrowings since beginning 2015						

Material changes to the Fund's current borrowings will be updated on our website quarterly or as required at [www.ilsl.com.au](http://www.ilsl.com.au). As the Fund currently has no borrowings, the Fund is not in breach of any lending covenants.

### **3. The Manager**

#### **3.1 Who are we?**

Ingwersen & Lansdown Securities Limited is a public unlisted company established to offer Mortgage Investments to Investors. The Manager is licensed by ASIC (AFSL number 241097) as a responsible entity for the purposes of the Corporations Act. Whilst the Manager was established by the former Partners of Ingwersen & Lansdown Solicitors, 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 of Ingwersen & Lansdown Securities Limited and not as Directors of Ingwersen & Lansdown Solicitors Pty Ltd.

#### **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 the greater of \$150,000 or 0.5% of our total funds under management or 10% of average responsible entity revenue and cash flow requirements. To meet this requirement we have in place, as well as a cash component, an unconditional guarantee from National Australia Bank in the sum of \$1,000,000. This figure is reviewed quarterly and as we grow, we may 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 7.2.

#### **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.

##### **David Bonaventure Ingwersen**

David is a Solicitor and Director of Ingwersen & Lansdown Securities Limited and has over 40 years experience in property law and mortgage lending. David is also involved in surf lifesaving and fund raising for local schools.

##### **Brett Harris Lansdown**

Brett is a Solicitor and Director of Ingwersen & Lansdown Securities Limited with degrees in Law and Land Surveying. After being employed in surveying for some years he joined the law practice of Ingwersen & Lansdown Solicitors in 1997. He has over 23 years experience in property law and mortgage lending. Brett is involved in water polo at a local level.

##### **David Harris Lansdown**

David is a Solicitor and Director of Ingwersen & Lansdown Securities Limited with over 43 years experience in property law and 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.

##### **Luke Anthony Berrigan**

Luke is a Solicitor and Director of Ingwersen & Lansdown Securities Limited with over 10 years experience in property law and mortgage lending. Previously he practised in commercial litigation with a top tier law firm before joining Ingwersen & Lansdown Solicitors. Luke practises exclusively in property and securities law and has been a managing Partner of the property section of Ingwersen & Lansdown Solicitors since 2012. Luke is the son-in-law of David Ingwersen. Luke is involved with basketball at local levels.

#### **3.5 Manager's Financial Position**

Based on audited financial statements for the year ended 30 June 2022, the Manager had net assets of \$1,322,547.

## 4. Fund Details

### 4.1 Historical Performance of Fund to 31 December 2022

Since the establishment of the Fund in 1999, loans totalling in excess of \$2,056,906,355 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 Historical Distribution rates

Set out below is a summary of the Fund's annual Distribution rates across its portfolio of Mortgage Investments. Information in relation to the likely Distribution rate payable on any particular Mortgage Investment is set out in the relevant Investment Proposal provided to each Investor prior to investing in a particular loan.

Distribution Rate		Distribution Rate	
2008/2009	9.5 to 10% p.a.	2015/2016	9 to 12% p.a.
2009/2010	9.5 to 11.5% p.a.	2016/2017	9 to 10% p.a.
2010/2011	9.5 to 11.25% p.a.	2017/2018	9 to 10% p.a.
2011/2012	9.5 to 11.5% p.a.	2018/2019	8 to 9.5% p.a.
2012/2013	9.5 to 11.5% p.a.	2019/2020	8 to 18 <sup>1</sup> % p.a.
2013/2014	9 to 12% p.a.	2020/2021	5 to 9.5% p.a.
2014/2015	9 to 12% p.a.	2021/2022	5 to 9.5% p.a.

<sup>1</sup> A higher distribution rate of 18% was negotiated for one short term loan that financial year, the next highest distribution rate for that year was 9.5%.

**Investors should note that past performance should not be relied upon as indicative of future performance.**

### 4.3 Loan Profiles as at 31 December 2022

Fund Assets				\$78,823,455*
Value of Loans				\$132,115,802*
Number of Loans				14
Number of Borrowers				14
Loans which represent in excess of 5% of Fund Assets				4
Those 4 loans being for:				
	\$15,465,000	Representing	19.62%	of Fund Assets
	\$14,169,000	Representing	17.98%	of Fund Assets
	\$13,775,000	Representing	17.48%	of Fund Assets
	\$6,468,750	Representing	8.21%	of Fund Assets
Number of loans secured by first mortgage				14
Number of loans secured by second mortgage or other				0

\* Fund Assets represents the amount actually owed by Borrowers and cash at bank. Value of Loans is the amount which the Fund has agreed to advance to Borrowers, including further amounts to be drawn down by Borrowers under existing loan facilities and without deducting amounts repaid by Borrowers under loan facilities.

Type of Security Property		By Percentage of	
		Loan Value <sup>^</sup>	Managed Funds <sup>^</sup>
<b>Commercial</b>		0.00%	0.00%
<b>Residential</b>	Vacant residential land	2.23%	4.51%
	Houses	1.56%	3.21%
	Multi-storey units	0.00%	0.00%
	Townhouses	0.00%	0.00%
<b>Industrial</b>		0.00%	0.00%
<b>Rural</b>		0.00%	0.00%
<b>Development and/or construction</b> (by purpose of development loan):	Vacant residential land	2.28%	1.97%
	Houses	2.24%	0.10%
	Multi-storey units	67.41%	55.54%
	Townhouses	24.28%	34.67%
	Commercial	0.00%	0.00%
<b>Locality of Assets secured by loans</b>	Queensland	72.20%	66.90%
	New South Wales	23.25%	27.65%
	Victoria	3.54%	3.39%
	ACT	1.01%	2.06%
<b>Interest rates payable on loans</b>		6.00% to 8.00%	
<b>Loan Maturity dates</b>	From 1/01/2023 to 31/01/2023	2	
	From 1/02/2023 to 31/03/2023	2	
	From 1/04/2023 to 31/12/2023	6	
	From 1/01/2024	4	

\* Fund Assets represents the amount actually owed by Borrowers. Loan Value is the amount which the Fund has agreed to advance to Borrowers, including further amounts to be drawn down by Borrowers under existing loan facilities and without deducting amounts repaid by Borrowers under loan facilities.

<sup>^</sup> Managed Funds are total funds that have been drawn down by Borrowers and are receivable by the Fund.

#### 4.4 Loans in Default as at 31 December 2022

	Principal	Interest in Arrears	No. of Loans
90 - 180 days	Nil	Nil	Nil
270 – 365 days	Nil	Nil	Nil
more than 365 days	Nil	Nil	Nil
Neither past due or impaired			14

## 4.5 Distribution rate on funds held in scheme (not on a loan)

You are entitled to Distributions at a rate of 2.75% p.a. whilst your investment monies are held in the investment scheme account and not invested on a loan, except where the amount of interest is less than \$20 per month in which case the interest will accrue for the benefit of the Fund as a whole. This rate will be updated quarterly and as required on our website at [www.ilsl.com.au](http://www.ilsl.com.au).

## 4.6 Updated Fund details

Information in relation to the Fund's loan portfolio set out in section 4 of this PDS is subject to change from time to time. Updated information in relation to the Fund's loan portfolio is published quarterly and as required on the Manager's website [www.ilsl.com.au](http://www.ilsl.com.au). A free paper copy of this information can be obtained by contacting the Manager on (07) 5589 2666. A copy of the Fund's latest audited annual financial reports can also be downloaded on the Manager's website [www.ilsl.com.au](http://www.ilsl.com.au).

# 5. Fees and other costs

### Did you know?

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

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your 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 fees. 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.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

## Consumer advisory warning

### 5.1 Fees and other costs

This section 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.

Taxes are set out in another part of this document.

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

## Fees and costs summary

Type of fee or cost	Amount <sup>1</sup>	How and when paid
<b>Ongoing annual fees and costs</b>		
<p><i>Management fees and costs</i></p> <p>The fees and costs for managing your investment</p>	<p>7.04% per annum of the total funds invested<sup>2</sup></p> <p>The management fees and costs for each Mortgage Investment will be disclosed in the corresponding Investment Proposal.</p>	<p>Paid at different times (dependent on the Mortgage Investment) from Fund Assets.</p> <p>Refer to 'Additional explanation of fees and costs' section below for further details.</p>
<p><i>Performance fees</i></p> <p>Amounts deducted from your investment in relation to the performance of the product</p>	Nil	Not Applicable
<p><i>Transaction costs</i></p> <p>The costs incurred by the scheme when buying or selling assets</p>	0.02% per annum of the total funds invested	<p>Payable on demand from the Fund Assets.</p> <p>Refer to 'Additional explanation of fees and costs' section below for further details.</p>
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)<sup>3</sup></b>		
<p><i>Establishment fee</i></p> <p>The fee to open your investment</p>	Nil	Not Applicable
<p><i>Contribution fee</i></p> <p>The fee on each amount contributed to your investment</p>	Nil	Not Applicable
<p><i>Buy-sell spread</i></p> <p>An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	Nil	Not Applicable
<p><i>Withdrawal fee</i></p> <p>The fee on each amount you take out of your investment</p>	Up to 1% of the amount withdrawn in the case of early withdrawal only.	Paid at the time of withdrawal
<p><i>Exit fee</i></p> <p>The fee to close your investment</p>	Nil	Not Applicable
<p><i>Switching fee</i></p> <p>The fee for changing investment options</p>	Nil	Not Applicable

<sup>1</sup> All figures disclosed include the net effect of GST.

<sup>2</sup> Please note that this figure includes Loan Establishment fees and Borrower's fees. These fees are charged by the Manager to Borrowers and generally do not affect your Investment. Please see Section 5.2 for further details.

<sup>3</sup> An additional fee will be payable for Investors who obtain Assurance from the Manager. Refer to 'Assurance fees' in the 'Additional explanation of fees and costs' section below for further details.



## 5.2 Example of annual fees and costs

This table gives an example of how the ongoing annual fees and costs for this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

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.

Example		Balance of \$50,000 with total contributions of \$5,000 during year
Contribution fees:	Nil	For every additional \$5,000 you put in, you will be charged <b>\$0</b>
<b>PLUS</b> management fees and costs	7.04% per annum of the total funds invested	<b>And</b> , for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment <b>\$3,520</b> each year.
<b>PLUS</b> Performance fees	Nil	<b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in performance fees each year
<b>PLUS</b> Transaction costs	0.02% per annum of the total funds invested	<b>And</b> , you will be charged or have deducted from your investment <b>\$10</b> in transaction costs
<b>EQUALS</b> 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 fees and costs of:  <b>\$3,530</b>  <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

**And**, if you leave the managed investment scheme early, you may also be charged withdrawal fees of between Nil and 1% of your total withdrawal amount (between \$0 and \$500 for every \$50,000 you withdraw).

## 5.3 Additional explanation of fees and costs

### Management fees and costs

The management fees and costs are the total fees and costs incurred in managing the Fund and include both the management fee and expense recoveries. These costs are paid directly out of the assets of the Fund.

The **management fee** component represents the amount paid to the Manager from the Fund and is made up of the following:

- a component paid out of interest paid by the Borrower; and
- a component paid out of the fees paid by the Borrower. This includes a loan establishment fee paid by Borrowers into the Fund on the commencement of the loan as well as other fees paid by the Borrower into the Fund in relation to their loan. Please see the 'Borrower's fees' section below for more information.

The **expense recoveries** component of the management costs represents an estimate of the annual operating expenses of the Fund and include responsible entity fees, administration costs, safekeeping fees, audit costs and legal costs.

For the financial year ending 30 June 2022, the average management fees and costs were 7.04% of the Fund Assets. Management fees and costs vary between Mortgage Investments depending upon a number of factors, including the interest rate applicable to the loan, the Distribution rate payable to Investors and the Borrower's performance of its obligations under the loan. The management fees and costs (including the management fee component) will remain payable in the event of default by a Borrower. Such payments may impact on returns payable to Investors.

The Investment Proposal will set out the actual management fees and costs which will apply to each Mortgage Investment.

### **Borrower's fees**

The Manager may charge Borrower's loan establishment and other fees which are paid by the Borrowers to the Fund. These fees will not be borne by the Fund or Investors but are included in management fees and costs as they are paid to the Manager through the Fund.

### **Assurance fees**

Investors who enter into an Assurance Agreement with the Manager will be charged an additional fee of 1% p.a. of the amount invested in a particular Mortgage Investment. For example, if the Distribution rate on a \$50,000 investment in a Mortgage Investment is 7.0% p.a. for the term of the Mortgage Investment, an Investor with Assurance would receive 6.0% p.a. in accordance with the terms and conditions set out in the Assurance Agreement, and the cost of Assurance is equivalent to \$500 over 12 months. This optional fee is not included in the example of annual fees and costs table and using this example the Cost of Fund investment for Investors who enter into an Assurance Agreement is \$4,030 for every \$50,000 investment.

### **Early withdrawal fee**

Whilst Investors are not entitled to withdraw during the term of their Mortgage Investment, should an Investor wish to withdraw early the Manager will endeavour to locate a replacement Investor. If a replacement Investor can be located the Manager may charge a fee of up to 1% of the Investor's investment balance which for a \$50,000 investment would be \$500.

### **Transaction costs**

Transactional and operational costs associated with dealing with the Fund's assets may be recovered from the Fund. Transactional and operational costs may include brokerage, investment settlement fees, clearing costs and applicable stamp duty when underlying assets are bought or sold and are paid from the Fund assets when they are incurred.

For the financial year ending 30 June 2022 the average transactional and operating costs were 0.02% of the Fund Assets.

### **GST and Stamp Duty**

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

- (a) GST less any reduced input tax credits; and
- (b) Stamp Duty.

For taxation information relating to the Fund, see Section 6.

## **Fee waivers**

The Manager may waive, assign, defer, or rebate any or all of its fees or its entitlement to reimbursement for expenses incurred.

## **Negotiated fees**

The Manager may negotiate a rebate of part of the management fees with sophisticated or professional Investors (i.e. those clients defined as wholesale clients in the Corporations Act). This is generally because they invest substantial amounts of money. The Manager cannot negotiate individual fee arrangements with Investors who are not wholesale clients.

The differential in fees which will be payable by wholesale clients will be calculated based upon the amount of funds the wholesale client and its related entities / parties has invested. Any reduction in fees will be deducted from the Manager's management fee and not from the assets of the Fund.

## **Fee changes**

The level of management costs is an estimate and can change without recourse to Investors. However, if the Fund's estimated expenses materially increase, we will give you 30 days notice before those costs are paid.

# **6. Taxation**

## **6.1 General**

There are tax implications when investing in and receiving income from the Fund. The Manager is not authorised to provide tax advice, nor have we obtained taxation advice specific to the Offer. As such, this PDS cannot address all of the taxation issues which may be relevant to you. Investors must take full and sole responsibility for their investment in the Fund, the associated taxation implications arising from that investment and any changes to those taxation implications during the course of that investment.

The summary below is based on the law and administrative practice in force as at the date of this PDS, all of which are subject to change, including with retrospective effect. This Section 6 summary is intended to be a general guide only and is not intended to be authoritative or a complete statement of all the potential tax implications for an Investor.

The Fund is a conventional unit trust that the Manager believes will allow for a flow through of tax benefits to Unitholders. As a flow through trust the trustee of the Fund (subject to section 6.5) should not be liable for Australian income tax, as it is proposed that the net income of the Fund will be distributed to Investors each year. Any taxation liability will rest with the Investors, who will generally be subject to tax on their share of the trust net income derived through the Mortgage Investment in which their funds are allocated.

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.

The Australian income tax implications for each Investor will be dependent on their specific circumstances, as well as the components of each distribution. The annual interest statement will identify the components of their distributions.

## **6.2 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.

## **6.3 Taxation treatment for capital gains**

### **Investors disposal or redemption of Units in the Fund**

An investment in the Fund is unlikely to generate a capital gain.

On the disposal or redemption of Units in the Fund, and where the investment is treated on capital account (i.e. long-term investment), eligible Unitholders may be able to reduce eligible capital gains by a discount percentage. To be eligible to discount a capital gain, Unitholders must have acquired their Units in the Fund at least 12 months prior to disposing of those Units.

The discount percentage is 50% if the Unitholder is an Australian resident individual or trust. For complying superannuation funds or life insurance companies (where the Units in the Fund are a complying superannuation asset), the discount percentage is 33.33%.

## **6.4 Foreign resident Investors**

As noted above, the preceding summary is only relevant to Australian resident Investors in the Fund. Investors in the Fund who are residents of another country for tax purposes will need to consider taxation consequences under the tax laws of that other country, in addition to the Australian taxation consequences, of investing in the Fund. The Manager may be required to withhold tax from distributions made to Investors in the Fund who are not Australian residents for taxation purposes and remit such tax to the Australian Taxation Office (ATO).

The rate of tax required to be deducted from distributions will depend on the character of the distribution, whether the Fund is a MIT for a particular income year, the type of Investor and the country in which the Investor is resident.

## **6.5 Tax file numbers and Australian business numbers**

It is not compulsory for Investors to provide their TFN or ABN. Collection of an Investor's TFN is authorised, and its use and disclosure is strictly regulated by the tax legislation and the Privacy Act 1998. 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, and any other applicable levies or taxes. 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.

## **6.6 Goods and Services Tax (GST)**

The Manager has received advice confirming that the Fund will be treated as a financier for GST purposes. Fees and costs in respect of acquisitions by the Fund will often be subject to GST. This means that the Fund may not be entitled to claim an input tax credit for the full amount of that GST, however may be entitled to reduced input tax credits for some expenses. No GST is payable on any Application for Units in the Fund or on the sale of those Units.

# **7. Additional Information**

## **7.1 Important documents**

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

- (a) Constitution;
- (b) Compliance Plan; and
- (c) Target Market Determination.

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

## 7.2 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.

## 7.3 Compliance Plan

The Compliance Plan is the document which outlines the principles and procedures that the Manager will implement 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.

## 7.4 Target Market Determination

The Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001. It sets out the class of consumers for whom the Fund, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs.

In addition, the TMD outlines the triggers to review the target market and certain other information it forms part of ILSL's design and distribution arrangements for the Fund. The TMD can be found on our website at [www.ilsl.com.au](http://www.ilsl.com.au).

## 7.5 Unit pricing 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.

## 7.6 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. Except as stated below, 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 or referred to below:

- (a) BDO Audit Pty Ltd 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;
- (c) Ingwersen & Lansdown Solicitors Pty Ltd has given its consent to being named as a provider of legal and administration services to the Manager or the Fund and being associated with the Manager; and
- (d) BDO Services Pty Ltd has given its consent to be named as tax advisor of the Manager and the Fund and for the inclusion of statements in sections 6.1 to 6.6 in respect of taxation advice provided to the Manager.

## 7.7 Complaints

If you have a concern or complaint about any aspect of your investment in the Fund, please contact us at:

Complaints Manager  
Ingwersen & Lansdown Securities Limited  
1065 Gold Coast Highway (Cnr Palm Beach Avenue)  
PALM BEACH QLD 4221

Phone: +61 7 5589 2666  
Fax: +61 7 5534 2838  
Email: [invest@ingwersen.com.au](mailto:invest@ingwersen.com.au)

We are a member of, and participate in, the Australian Financial Complaints Authority (AFCA), an independent complaints resolution organisation. If you feel your complaint has not been satisfactorily resolved, you are entitled to make a complaint to AFCA at:

Australian Financial Complaints Authority  
GPO Box 3  
MELBOURNE VIC 3001

Telephone: 1800 931 678  
Facsimile: (03) 9613 6399  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Website: [www.afca.org.au/make-a-complaint](http://www.afca.org.au/make-a-complaint)

## 7.8 Disclosure of interests

Each of the Directors has an interest in the Manager.

Both Brett Lansdown & Luke Berrigan are Directors of Ingwersen & Lansdown Solicitors Pty Ltd. The firm of Ingwersen & Lansdown Solicitors has historically and may in the future provide legal and administration services to the Manager or the Fund at their normal hourly rates. The arrangements for these services are reviewed annually to ensure they remain on commercial arm's length terms.

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.

McCullough Robertson Lawyers have undertaken work in respect to the PDS at their normal hourly rates.

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 with related parties will be made on commercial arm's length terms and therefore will not require the approval of Unitholders.

## 7.9 Related party transactions

The Manager has not and does not intend to use Fund money to lend to related parties. However, if the Manager decided to undertake a related party loan prior to the loan proceeding:

- the transaction would be fully disclosed to potential Investors in the Investment Proposal; and
- this Benchmark Disclosure would be updated to include details of the transaction and processes used by the Manager to monitor related party transactions.

The Manager and related parties may invest in the Fund but only do so on terms equivalent to that of Investors and / or wholesale Investors. The Manager and related parties may take second mortgage positions behind loans undertaken by the Fund using their own funds.

The Manager may in its own right or via related entities provide funding to the Fund in order to meet Assurance obligations.

## **7.10 Labour standards, social, ethical and environmental 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 and the Manager does not have a specific methodology for how these factors are taken into account.

## **7.11 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 most recent annual financial report for the Fund as lodged with ASIC;
- any half-year financial report lodged with ASIC by the Fund after the lodgement of the annual report and before the date of the PDS.

We will satisfy our continuous disclosure obligations for the Fund by publishing material information on our website at <http://www.ilsl.com.au>. Accordingly, given the disclosure of material information will be made on our website, we will not be required to lodge continuous disclosure notices for the Fund with ASIC.

## **7.12 Updated information**

Where there is a change to information which is not material to Investors, this updated information will be made available on our website at [www.ilsl.com.au](http://www.ilsl.com.au) ('Updated Information'). If you require a paper copy of any updated information please contact us using the details in the Corporate Directory and it will be provided without charge on request.

While this PDS and any Updated Information are up to date at the time of preparation, changes may be made to the Fund from time to time. Investors should ensure that they keep up to date with the latest information on the Fund. To obtain this information either:

- (a) visit our website at <http://www.ilsl.com.au>; or
- (b) phone us on +61 7 5589 2666.

A paper copy of the most recent information will be sent to you free of charge on request.

## **7.13 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.

## **7.14 Privacy and personal information**

We have Privacy Policy approved by our Directors. We collect and manage your personal information in accordance with our Privacy Policy, the Privacy Act 1998 (Cth) and the Australian Privacy Principles ('APP').

We may collect personal information from you through your Application Form and any other relevant forms in order to process your application, administer your investment and for other purpose permitted under the Privacy Act 1988 (Cth). Tax, Company and anti-money laundering laws also require some of the information to be collected in connection with an application.

In some cases, we collect personal information from third parties including public sources, our related companies, referrers, brokers, agents, your adviser(s) and our service providers.

If you do not provide us with your relevant personal information, we will not be able to provide you with products or services (such as issuing you Units). Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our Privacy Policy, which includes details about the following matters:

- (a) how we collect and hold personal information;
- (b) the kinds of personal information we collect and hold;
- (c) the purposes for which we collect, hold, use and disclose personal information;
- (d) whether collection of personal information is required or authorised by law;
- (e) the entities or persons to which personal information is usually disclosed;
- (f) how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances);
- (g) how you may complain about a breach of the APP's and how we will deal with such a complaint; and
- (h) whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for us to specify those countries.

Personal information is unlikely to be disclosed to any third parties overseas.

We may also be allowed or obliged to disclose information by law.

If you have concerns about the completeness or accuracy of the information we have about them or would like to access or amend personal information which we hold, you can contact our Privacy Officer at:

Privacy Officer  
Ingwersen & Lansdown Securities Limited  
1065 Gold Coast Highway (Cnr Palm Beach Avenue)  
PALM BEACH QLD 4221

Phone: +61 7 5589 2666



## Glossary

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

<b>Applicant</b>	A person or entity who submits an Application Form.
<b>Application</b>	An application for Units under the PDS.
<b>Application Account</b>	A bank account in the name of the Manager where Application Monies are deposited.
<b>Application Form</b>	The Application Form attached to or accompanying this PDS.
<b>Application Monies</b>	Monies remitted to the Manager for deposit to the Investment Account before being applied to a Mortgage Investment.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>Assurance</b>	The arrangements whereby the Manager guarantees the payment of Distributions, the terms of which are set out in the Assurance Agreement.
<b>Assurance Agreement</b>	The Assurance Agreement set out in Appendix 1.
<b>Assurance Period</b>	The period set out in Appendix 1 Clause 2.3 of the Assurance Agreement.
<b>Borrower</b>	Any person who borrows funds from the Fund.
<b>Compliance Committee</b>	Committee established by the Manager in accordance with the Constitution and the Corporations Act.
<b>Compliance Plan</b>	The Compliance Plan lodged with ASIC that establishes a frame work for monitoring the operation of the Fund.
<b>Constitution</b>	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.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Directors</b>	The Directors of the Manager.
<b>Distribution</b>	A distribution of income from a Mortgage Investment.
<b>Fund</b>	Ingwersen & Lansdown Securities Fund ARSN 089 634 453.
<b>Fund Assets</b>	The gross assets of the Fund.
<b>GST</b>	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.

<b>General Authority</b>	The general authority authorisation which is contained in the Investment Type section of the Application Form.
<b>Investment Account</b>	The ADI account which holds Application Monies.
<b>Investment Proposal</b>	The information on a Mortgage Investment and provided by the Manager as a Supplementary Product Disclosure Statement (SPDS).
<b>LVR</b>	The ratio of the loan amount to the most recent valuation (incl. GST) of the Secured Property.
<b>Manager</b>	Ingwersen & Lansdown Securities Limited ACN 088 636 220.
<b>Mortgage Investment</b>	The loan facility secured by a registered mortgage as described in the Investment Proposal.
<b>Net Income</b>	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).
<b>Nomination</b>	The nomination form attached to or accompanying the Investment Proposal.
<b>Offer</b>	The Offer to subscribe for Units pursuant to this PDS.
<b>PDS</b>	This Product Disclosure Statement.
<b>Security Property</b>	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.
<b>Target Market Determination</b>	<p>A TMD is required under section 994B of the Corporations Act 2001. It sets out the class of consumers for whom the Fund, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs.</p> <p>In addition, the TMD outlines the triggers to review the target market and certain other information it forms part of ILSL's design and distribution arrangements for the Fund.</p>
<b>Unit</b>	A unit in the Fund identified by reference to the Mortgage Investment in which the Application Monies are utilised.
<b>Unitholder</b>	A holder of Units or Investor in the Fund.
<b>We</b>	The Manager and the terms 'our' and 'us' have the same corresponding application.

# Appendix 1

## ASSURANCE AGREEMENT

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 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 Manager on the day that the Distribution was due to be paid.
- 2.3 The obligation to pay the monies 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 Manager may receive from the Investor's investment in the Fund:
  - (a) an amount represented by A in the following formula:
$$A = \frac{B \times D}{1200}$$

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 Manager 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 Manager under clause 3.1(b) must be paid within five 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 requested Mortgage Investment Assurance on their 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 an Investor pursuant to clause 2.3 of the Assurance 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 requested Mortgage Investment Assurance on their 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.

## Application Forms

The following pages contain our current PDS Application Forms for the Fund.

These Application Forms are important and you should read the entire Product Disclosure Statement (PDS) carefully before completing the forms.

If you do not understand any of the information contained within this PDS (including the Application Form) and require financial advice, please contact a professional adviser for assistance.

Should you wish to proceed with investing funds with our Fund, please complete the Application Form together with the relevant Identification Form.

Associations, co-operatives, government bodies or other entities will need to contact us about completing a different Identification Form.

The type of entity used to purchase Units will determine how the Application Form must be completed. Please refer to the table below when completing the name of the Investor/s.

Type of Applicant	
<b>Individual / Joint</b>	
Use given names in full, not initials	✓ Peter Robert Smith
	X P.R. Smith
<b>Company</b>	
Use full company name, not abbreviations	✓ Smith Building Services Pty Ltd
	X SBS P/L
	X Smith Building Services
<b>Minor (under 18 years of age)</b>	
Use the name of the responsible adult with the minor in brackets, not just the name of the minor	✓ Jane Elizabeth Smith <Jane Elizabeth Smith Jnr>
	X Jane Elizabeth Smith Jnr
<b>Trusts</b>	
Use the name of the trustee with the name of the trust in brackets, not just the name of the trust	✓ Peter Robert Smith <Smith Family Trust>
	X Smith Family Trust
<b>Superannuation Funds</b>	
Use the name of the trustee with the name of the fund in brackets, not just the superannuation fund	✓ Jane Elizabeth Smith <Smith Superannuation Trust>
	X Smith Superannuation Trust
<b>Partnerships</b>	
Use the name of the Partners with the name of the business in brackets	✓ Peter Robert Smith and John Smith <Smith Brothers>
	X Smith Brothers

## Identification Requirements

In accordance with our AML/CTF obligations, you must provide us with specific documentation along with your completed Application Form so that we can verify your identity.

## Investing Funds

Should you wish to proceed with investing funds and you have returned all of the necessary PDS Application Form, TMD Form & identification requirements to our office, it is important you contact us on (07) 5589 2666 prior to sending any funds so we may first confirm that we have an investment available to place your funds on.

Once we have an investment available for you, funds can be sent to our office via:

- ❖ **Bank Cheque / Cheque** - please make any cheques payable to  
*'Ingwersen & Lansdown Securities Limited ATF Ingwersen & Lansdown Securities Fund'*.
- ❖ **Bank Transfer** – please contact us for further details.

## FATCA and CRS

The Foreign Account Tax Compliance Act (FATCA) is United States (US) legislation, enacted to improve compliance with US tax laws. Under FATCA, certain financial institutions and fund managers are required to identify clients that are US persons or entities with substantial US owners. Information about these clients will be reported to the US Internal Revenue Service (IRS), via local tax agencies (such as the ATO).

In addition to FATCA, the Common Reporting Standard (CRS) is the single global standard for the collection, reporting and exchange of financial account information of non-residents.

If you identify yourself as a foreign resident for tax purposes, we may need to collect additional information from you or anyone acting on your behalf as part of the initial application process and post account set up and report to the ATO.

The ATO may then exchange this information with the participating foreign tax authorities of those non-residents.

## TFN

You do not have to provide the Manager with a TFN. However, if a TFN is not provided, then we may be required to deduct tax from any income paid to you at the top marginal tax rate plus the Medicare levy. If you are eligible for an exemption from providing us with your TFN, please contact us.

# Ingwersen & Lansdown Securities Fund

(PDS 2023)

ARSN 089 634 453

## Issuer

**Ingwersen & Lansdown Securities Limited**

ABN 41 088 636 220, AFSL 241097

(\*Responsible Entity\*)

## APPLICATION FORM

Investment Name:

### Investor Type

Existing Investor

New Investor

Individual – please complete the **Identification Form – Individual**

Joint Investors – please complete the **Identification Form - Individual** for each Investor

Company – please complete the **Identification Form - Company**

Trust or Partnership – please complete the **Identification Form - Trust / Partnership / Superannuation Fund**

Superannuation Fund – please complete the **Identification Form - Trust / Partnership / Superannuation Fund**

### Purpose and Source of Investment Funds

Purpose of Investment (select all applicable options):

Savings

Growth

Income

Retirement

Business Account

Other (please specify):

\_\_\_\_\_

Source of Investment (select all applicable options):

Savings

Growth

Income

Retirement

Business Account

Other (please specify):

\_\_\_\_\_

### Investment Type

If you elect to appoint us under a General Authority, we will determine on your behalf how your investment funds will be applied to Mortgage Investments. If you wish to specify which Mortgage Investment you want your investment funds to be applied to, please tick the box titled 'Select Mortgage Investment'. In either case, you will be provided with an Investment Proposal which sets out the details of the Mortgage Investment your funds will be applied to. For further details in relation to General Authorities and selecting Mortgage Investments, please refer to sections 1.14 to 1.15 of the PDS.

**General Authority**

Allows the Manager discretion to select which Mortgage Investments your funds will be applied to.

**Select Mortgage Investment**

I/We wish to select which Mortgage Investment my/our funds are applied to.

### Additional Options

All investments involve risk; the Manager does not guarantee any Investor will have their investment repaid early or in full.

If you elect to receive Assurance, the obligation of the Fund to pay a Distribution to an Investor will be supported by the Manager. The cost of the Assurance is an amount equal to (on an annualised basis) 1% of the capital invested by an Investor in a particular Mortgage Investment. For further information in relation to Assurance, see section 1.10 and Appendix 1 of the PDS.

**Mortgage Investment Assurance**

I/We wish to obtain Assurance in relation to my/our Mortgage Investment in accordance with the terms and conditions set out in the Assurance Agreement.

**Investment Return**

At the completion of each investment, I/we require my/our principal funds to be returned to my/our nominated bank account.

### Investment Preferences

Maximum amount per loan

Other investment preferences (e.g. if part of the Mortgage Investment is repaid early and you would like to be redeemed early from the Mortgage Investment)

# APPLICATION FORM

## Investment Amount\*

Must be a minimum of \$20,000. \*Includes any additional investments whilst you remain an Investor.

## Direct Credit for Distributions

Name of Bank Account which is to be credited (Please include all names listed on the Bank Account)

Bank

Branch

BSB number

 

Account Number

## Investor communications

We are pleased to offer you the opportunity to receive Investor communications from us by email and expect that most Investors will elect to receive Investor communications by email thereby significantly reducing the Fund's administrative costs and impact on the environment. Your election will apply to information in relation to the current financial year. You can change your election at any time by contacting us.

Yes, by post

Yes, by email

## Audited Financial Statements

The Fund's most recent audited financial statements can be found on our website at [www.ilsl.com.au](http://www.ilsl.com.au). If you would like to receive this via post or email, free of charge, please mark the appropriate box below. Your election will apply to information in relation to the current financial year. You can change your election at any time by contacting us.

I do not wish to receive the audited financials

Yes, by post

Yes, by email

## Declaration

By signing and lodging this Application Form, you agree and acknowledge:

- you have read & understood the Product Disclosure Statement (PDS) dated 20<sup>th</sup> April 2023 and any other document associated with the Fund;
- your Application for Units in the Fund is binding and irrevocable;
- you consent to us obtaining and using your personal information;
- you have not relied on statements or representations made by anybody, other than those made in the PDS;
- to be bound by the Constitution;
- we are required to comply with the anti-money laundering laws in force in a number of jurisdictions and you must provide us with the

information required by the Identification Form and such other additional information or documentation as we may request of you, otherwise your application for Units may be refused, Units you hold may be compulsorily redeemed, and any disposal request by you may be delayed or refused and we will not be liable for any loss arising as a result thereof;

- that a tax file number has been provided, and if not, you consent to us withholding tax at the highest marginal tax rate;
- performance of the Fund is not guaranteed; and
- you have had the opportunity to seek independent professional advice on subscribing for Units in the Fund.

### Signature – Applicant 1, Sole Director, Company Officer 1

Name

Signature

Position

(if applicable)

Date

 

### Signature – Applicant 2, Director, Company Officer 2

Name

Signature

Position

(if applicable)

Date

 

## OFFICE USE ONLY

Date Application Form Received \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Details on Form complete: \_\_\_\_\_

Ingwersen & Lansdown Securities Limited



# IDENTIFICATION FORM – INDIVIDUAL (1)

## Section 1 – Individual details

First Name	Middle Name	Surname
<input type="text"/>		

Date of Birth:	Tax File Number:	Occupation:
<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

**Contact telephone numbers**

Home	( <input type="text"/> ) <input type="text"/>
Work	( <input type="text"/> ) <input type="text"/>
Mobile	<input type="text"/>

**Email**

### Print your residential address here

Street Number / Street Name

  

Suburb / Town	State / Territory	Post Code
<input type="text"/>	<input type="text"/>	<input type="text"/>

### Print your postal address here (if the same as residential write "As Above")

PO Box Number / Street Number / Street Name

  

Suburb/Town	State / Territory	Post Code
<input type="text"/>	<input type="text"/>	<input type="text"/>

## Section 2 – Investor Agent or Power of Attorney or Person Acting on behalf of a Minor

<input type="checkbox"/>	<input type="checkbox"/>
Yes	No

Are you acting as the Investor's Agent or Power of Attorney Or Person Acting on behalf of a Minor?  
(If 'Yes', you must also complete the section below)

Full Name of person acting on behalf of the Individual

Residential Address (Please do not use a PO Box or C/O address)

Street Number / Street Name

  

Suburb / Town	State / Territory	Post Code
<input type="text"/>	<input type="text"/>	<input type="text"/>

Contact Telephone Number	Date appointed as Agent or POA
( <input type="text"/> )	<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

- Agent**  
I have attached a certified copy of my driver licence, passport or other current photo ID which confirms my details above and contains my signature and;
- Power of Attorney**  
I have attached a certified copy of my authorisation to act on behalf of the Investor.
- Parent or Guardian**  
In the case of a minor, I have attached a certified copy of the minor's birth certificate or extract of birth.

Signature	Date
<input type="text"/>	<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

## Section 3 – Investor communications

### IDENTIFICATION FORM – INDIVIDUAL (1)

#### Section 3 – FATCA and CRS disclosure

Are you a US citizen or resident of the US for tax purposes?  Yes  No

If 'Yes', please provide your US Taxpayer Identification Number (TIN):

Are you a citizen or resident of any country other than the US or Australia for tax purposes?  Yes  No

If yes, please indicate the country/ies in which you are a resident for tax purposes and each country's associated TIN. If a TIN is not available, please tick the appropriate reasons.

Country

TIN

OR TIN not available because  TIN not issued by this country  Individual is under age  TIN pending

#### Section 4 – Identification documents

Please complete either Option 1 or Option 2 and attach the applicable document(s). Please only provide certified copies of original documents as documents will not be returned to you.

##### Option 1 – Please attach at least one document

###### Primary Photographic Identity Document

- Driver Licence
- Australian Passport (that has not expired within the last two years)
- International Travel Document – foreign passport or driver licence with photograph and signature of person
- Proof of Age Card or National Identity Card

##### OR Option 2 – Please attach at least one primary non-photographic document AND one secondary non-photographic document

###### Primary Non-Photographic Identity Document

- Australian Birth Certificate or Extract of Birth
- Australian Citizenship Certificate
- Foreign Citizenship Certificate or Foreign Birth Certificate
- A Centrelink Pension Card or Centrelink Healthcare Card

###### Secondary Non-Photographic Identity Document

- A financial benefit notice issued by a Government Agency of the Commonwealth of Australia or its States or Territories within the last 12 months which contains the individual's name and residential address
- An income tax assessment notice issued by the ATO in the last 12 months which contains the individual's name and residential address
- A local government notice (e.g. council rates) or utilities notice (e.g. power, gas or phone bill) issued within the last three months which contains the individual's name and residential address

All foreign language documents must be accompanied by an English translation prepared by an accredited translator.

## IDENTIFICATION FORM – INDIVIDUAL (2)

### Section 1 – Individual details

First Name	Middle Name	Surname
<input type="text"/>		

Date of Birth:	Tax File Number:	Occupation:
<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

**Contact telephone numbers**

Home	<input type="text"/> (    )
Work	<input type="text"/> (    )
Mobile	<input type="text"/>

**Email**

### Print your residential address here

Street Number / Street Name

  

Suburb / Town	State / Territory	Post Code
<input type="text"/>	<input type="text"/>	<input type="text"/>

### Print your postal address here (if the same as residential write "As Above")

PO Box Number / Street Number / Street Name

  

Suburb / Town	State / Territory	Post Code
<input type="text"/>	<input type="text"/>	<input type="text"/>

### Section 2 – Investor Agent or Power of Attorney or Person Acting on behalf of a Minor

<input type="checkbox"/>	<input type="checkbox"/>
Yes	No

Are you acting as the Investor's Agent or Power of Attorney Or Person Acting on behalf of a Minor?  
(If 'Yes', you must also complete the section below)

Full Name of person acting on behalf of the Individual

Residential Address (Please do not use a PO Box or C/O address)

Street Number / Street Name

  

Suburb / Town	State / Territory	Post Code
<input type="text"/>	<input type="text"/>	<input type="text"/>

Contact Telephone Number	Date appointed as Agent or POA
<input type="text"/> (    )	<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

**Agent**  
I have attached a certified copy of my driver licence, passport or other current photo ID which confirms my details above and contains my signature and;

**Power of Attorney**  
I have attached a certified copy of my authorisation to act on behalf of the Investor;

**Parent or Guardian**  
In the case of a minor, I have attached a certified copy of the minor's birth certificate or extract of birth.

Signature	Date
<input type="text"/>	<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

## Section 3 – Investor communications

### IDENTIFICATION FORM – INDIVIDUAL (2)

#### Section 3 – FATCA and CRS disclosure

Are you a US citizen or resident of the US for tax purposes?  Yes  No

If 'Yes', please provide your US Taxpayer Identification Number (TIN):

Are you a citizen or resident of any country other than the US or Australia for tax purposes?  Yes  No

If yes, please indicate the country/ies in which you are a resident for tax purposes and each country's associated TIN. If a TIN is not available, please tick the appropriate reasons.

Country

TIN

OR TIN not available because  TIN not issued by this country  Individual is under age  TIN pending

#### Section 4 – Identification documents

Please complete either Option 1 or Option 2 and attach the applicable document(s). Please only provide certified copies of original documents as documents will not be returned to you.

##### Option 1 – Please attach at least one document

###### Primary Photographic Identity Document

- Driver Licence
- Australian Passport (that has not expired within the last two years)
- International Travel Document – foreign passport or driver licence with photograph and signature of person
- Proof of Age Card or National Identity Card

##### OR Option 2 – Please attach at least one primary non-photographic document AND one secondary non-photographic document

###### Primary Non-Photographic Identity Document

- Australian Birth Certificate or Extract of Birth
- Australian Citizenship Certificate
- Foreign Citizenship Certificate or Foreign Birth Certificate
- A Centrelink Pension Card or Centrelink Healthcare Card

###### Secondary Non-Photographic Identity Document

- A financial benefit notice issued by a Government Agency of the Commonwealth of Australia or its States or Territories within the last 12 months which contains the individual's name and residential address
- An income tax assessment notice issued by the ATO in the last 12 months which contains the individual's name and residential address
- A local government notice (e.g. council rates) or utilities notice (e.g. power, gas or phone bill) issued within the last three months which contains the individual's name and residential address

All foreign language documents must be accompanied by an English translation prepared by an accredited translator.

## IDENTIFICATION FORM – COMPANY

### Section 1 – Company details

#### Company name

Full name of Company

ACN / ARBN / Other registration number (if applicable)

Country in which incorporated (if not Australia)

Tax File Number

#### Company contact details

Contact Person

Contact telephone numbers

Office

(    )

Mobile

Email

#### Full address of registered office

Street Number / Street Name (Please do not use a PO Box or C/O address)

Suburb / Town

State / Territory

Post Code

#### Full address of principal place of business

Street Number / Street Name (Please do not use a PO Box or C/O address)

Suburb / Town

State / Territory

Post Code

### Section 2 – Company type

Please select all relevant options:

Australian Company

Foreign Registered Company

→ Foreign registration number:

Proprietary or Private Company

Public Company

→ Please provide details of relevant market/exchange:

Majority owned subsidiary  
of a Public Company

→ Please provide details of relevant market/exchange of parent company:

Regulated Company

→ Please provide details of relevant regulator and licence number:

## IDENTIFICATION FORM – COMPANY

### Section–3 - Party details

Provide the full name of each Director of the company:

Director 1	<input type="text"/>
Director 2	<input type="text"/>
Director 3	<input type="text"/>
Director 4	<input type="text"/>

If there are more than four Directors, please write down details on a separate piece of paper and attach this to your form.

Provide details of all beneficial owners. If there are more than four beneficial owners, please write down details on a separate piece of paper and attach this to your form. Each beneficial owner<sup>^</sup> will also be required to complete an **Identification Form – Individual**.

<sup>^</sup> Beneficial owners are individuals who through one or more shareholdings ultimately own 25% or more of the company's issued capital or who control (whether directly or indirectly) the company. Control includes control as a result of, or by means of, trusts, agreements, arrangements, understandings and practices, whether or not having legal or equitable force and whether or not based on legal or equitable rights, and includes exercising control through the capacity to determine decisions about financial and operating policies.

Name	<input type="text"/>	Holding	<input type="text"/>	%
Name	<input type="text"/>	Holding	<input type="text"/>	%
Name	<input type="text"/>	Holding	<input type="text"/>	%
Name	<input type="text"/>	Holding	<input type="text"/>	%

### Section 4 – FATCA and CRS disclosure

Is the Company a US citizen or resident of the US for tax purposes?  Yes  No

If **yes**, complete the section below. If no, go to section 5.

Are you a Financial Institution?  Yes  No

If **yes**, please provide Global Intermediary Identification Number (GIIN) or select status:

- Deemed Compliant Financial Institution
- Accepted Financial Institution
- Exempt Beneficial Owner
- Non-Reporting IGA Financial Institution
- Non-Participating Financial Institution
- US Financial Institution
- Other (please provide FATCA status with corresponding GIIN if applicable):

If you are an investment entity located in a non-participating CRS jurisdiction and managed by another financial institution, you will need to complete the CRS disclosure section in the **Identification Form – Individual** for all beneficial owners. For FATCA purposes, an investment entity is an entity which derives more than 50% of its gross income from investment activities or 50% of its assets are held to produce investment income.

If **no**, is the Company an active non-financial entity?  Yes  No

If **yes**, is the Company a (please tick one box from the list below):

- Non-Financial Public Company
- Government Entity
- International Organisation

Other accepted Non-Financial Foreign Entity (please provide details):

If **no**, you will need to complete the FATCA disclosure section in the **Identification Form – Individual** for all beneficial owners.

## IDENTIFICATION FORM – COMPANY

### Section 4 – FATCA and CRS disclosure continued

If **no**, is the Company an active Non-Financial Entity?  Yes  No

If **yes**, is the Company a (please tick one box from the list below):

Non-Financial Public Company

Government Entity

International Organisation

Other accepted Non-Financial Foreign Entity (please provide details):

If **no**, you will need to complete the FATCA disclosure section in the **Identification Form – Individual** for all beneficial owners.

### Section 5 – Identification documents

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Please complete the relevant Option below. Please only provide certified copies of original documents as documents will not be returned to you.

#### Option 1 – Australian Public and Regulated Companies / Majority Owned Subsidiaries of Australian Public Companies

Licence or other records of the relevant regulator (for regulated companies)

#### Option 2 – Australian Private or Proprietary Companies

ASIC certificate of registration AND

Completed **Identification Form – Individual** for all beneficial owners

#### Option 3 – Foreign Companies

ASIC or foreign regulator certificate of registration AND

Completed **Identification Form – Individual** for all beneficial owners (except if majority owned subsidiary of Australian public company)

**All foreign language documents must be accompanied by an English translation prepared by an accredited translator.**

**Please note that we will also undertake searches of any relevant databases in relation to the Company.**

## IDENTIFICATION FORM – TRUSTS, PARTNERSHIPS AND SUPERANNUATION FUNDS

### Section 1 – Trust / Partnership / Superannuation Fund details

#### Entity name

Name of Trust / Partnership

Name (if any) of the Trustee / Responsible Entity or Partnership

Country in which established (if not Australia)

Tax File Number

#### Entity contact details

Contact Person

#### Contact telephone numbers

Home

( )

Office

( )

Mobile

Email

#### Postal address for all correspondence

PO Box Number / Street Number / Street Name

Suburb / Town

State / Territory

Post Code

### Section 2 – Entity Type

**Type of entity** Please select all relevant options:

REGULATED TRUST

Superannuation Fund (or other trust registered and regulated by an Australian Commonwealth statutory regulator) – please provide:

Trust's ABN:

Regulator (if not APRA or the ATO):

Licence number (if any):

Government Superannuation Fund – please tell us the name of the legislation which regulates the Trust:

Registered Managed Investment Scheme – please provide the ARSN:

Unregistered Managed Investment Scheme – please confirm that the scheme:

Only has wholesale clients; and  Does not make small scale offerings to retail clients under the Corporations Act 2001.



**IDENTIFICATION FORM – TRUSTS, PARTNERSHIPS AND SUPERANNUATION FUNDS**

**Section 2 – Entity Type continued**

UNREGULATED TRUST

Family Trust

Other Unit Trust

Deceased Estate

Charitable Trust

Other – please specify:

**Section 3 – Party details**

**Settlor details**

Please complete the Settlor’s details unless the Settlor is deceased or has made an asset contribution of less than \$10,000 to the Trust at the time the Trust was established.

Given Name(s)

Surname

Residential address (Please do not use a PO Box or C/O address)

**Trustee / Partner details**

Please list Trustee or Partners Identification details. If the Trustee is a Company, you will also be required to complete the **Identification Form – Company** in respect of the Trustee.

**TRUSTEE OR PARTNER 1**

Trustee or Partner Type:  Individual  Company

Given Name(s) / Company Name

Surname / ACN

Address (Please do not use a PO Box or C/O address)

**TRUSTEE OR PARTNER 2**

Trustee or Partner Type:  Individual  Company

Given Name(s) / Company Name

Surname / ACN

Address (Please do not use a PO Box or C/O address)

Provide details of all beneficial owners. If there are more than four beneficial owners, please write down details on a separate piece of paper and attach this to your form. Each beneficial owner^ will also be required to complete an **Identification Form – Individual**.

*^ Beneficial owners are individuals who through one or more shareholdings ultimately own 25% or more of the Trust’s income or asset or who control (whether directly or indirectly) the trust. Control includes control as a result of, or by means of, trusts, agreements, arrangements, understandings and practices, whether or not having legal or equitable force and whether or not based on legal or equitable rights, and includes exercising control through the capacity to determine decisions about financial and operating policies.*

Name	<input style="width: 100%; height: 20px;" type="text"/>	Holding	<input style="width: 100%; height: 20px;" type="text"/>	%
Name	<input style="width: 100%; height: 20px;" type="text"/>	Holding	<input style="width: 100%; height: 20px;" type="text"/>	%
Name	<input style="width: 100%; height: 20px;" type="text"/>	Holding	<input style="width: 100%; height: 20px;" type="text"/>	%
Name	<input style="width: 100%; height: 20px;" type="text"/>	Holding	<input style="width: 100%; height: 20px;" type="text"/>	%

## IDENTIFICATION FORM – TRUSTS, PARTNERSHIPS AND SUPERANNUATION FUNDS

### Section 4 – FATCA and CRS disclosure

Is the Trust, Partnership or Superannuation Fund a US citizen or resident of the US for tax purposes?  Yes  No

If **yes**, complete the section below. If **no**, go to section 5.

Are you a Financial Institution?  Yes  No

If **yes**, please provide Global Intermediary Identification Number (GIIN) or select status:

- Deemed Compliant Financial Institution
- Accepted Financial Institution
- Exempt Beneficial Owner
- Non-Reporting IGA Financial Institution
- Non-Participating Financial Institution
- US Financial Institution
- Other (please provide FATCA status with corresponding GIIN if applicable):

*If you are an investment entity located in a non-participating CRS jurisdiction and managed by another financial institution, you will need to complete the CRS disclosure section in the **Identification Form – Individual** for all beneficial owners. For FATCA purposes, an investment entity is an entity which derives more than 50% of its gross income from investment activities or 50% of its assets are held to produce investment income.*

If **no**, is the Trust, Partnership or Superannuation Fund an active non-financial entity?  Yes  No

If **yes**, is the Trust, Partnership or Superannuation Fund a (please tick one box from the list below):

- Non-Financial Public Company
- Government Entity
- International Organisation
- Other accepted Non-Financial Foreign Entity (please provide details):

If **no**, you will need to complete the FATCA disclosure section in the **Identification Form – Individual** for all beneficial owners.

### Section 5 – Identification documents

Please complete the relevant option below. Please only provide certified copies of original documents as documents will not be returned to you.

#### Option 1 – Regulated Trusts (as appropriate)

- Extract of establishing legislation (for Government superannuation funds)

**Please note** that we will also undertake searches of any relevant databases (e.g. ASIC, Super Fund Lookup, etc) in relation to the Trust.

#### Option 2 – Unregulated Trusts

- Trust Deed or an extract of the Trust Deed showing the full name of the Trust and any named Trust Settlor
- Other documentation confirming the full name of the Trust and the name of the Trust Settlor
- Completed **Identification Form – Individual** for all beneficial owners

#### Option 3 – Partnership

- Partnership agreement
- Australian Business Register search for partnership
- Completed **Identification Form – Individual** for all beneficial owners

**All foreign language documents must be accompanied by an English translation prepared by an accredited translator.**

## Corporate Directory

### Manager

**Ingwersen & Lansdown Securities Limited** ACN 088 636 220  
1065 Gold Coast Highway  
(Cnr. Palm Beach Avenue)  
Palm Beach QLD 4221  
Ph: +61 7 5589 2666  
Fax: +61 7 5534 2838

### Auditor of the Manager and the Fund

**BDO Audit Pty Ltd**  
Level 10  
12 Creek Street  
Brisbane QLD 4000

### Lawyers for the Manager

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

### Tax Advisor of the Manager and the Fund

**BDO Services Pty Ltd**  
Level 10  
12 Creek Street  
Brisbane QLD 4000



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PO Box 187 Elanora, Queensland, 4221

**Ingwersen &  
Lansdown**  
**SECURITIES**  
LIMITED  
ACN 088 636 220  
AFSL 241097