

PART 1

PRODUCT DISCLOSURE STATEMENT

FUTURE PROPERTY HOLDINGS FUND
ARSN 160 488 817



FUTURE GROWTH. NOW.

Product Disclosure Statement – Part 1

Future Property Holdings Fund ARSN 160 488 817

Future Asset Management International Limited ACN 158 385 187
AFSL 424626

Important information

Purpose of document

This document is Part 1 of the product disclosure statement (**PDS**) for the Future Property Holdings Fund ARSN 160 488 817 (**Fund**) and is dated 24 August 2015. This Part 1, and Part 2 with which it is distributed, make up the PDS for the issue of units in the Fund (**Units**).

Part 1 provides information about the Fund and Part 2 relates to the offer of a Class of Units, provides information on the rights and obligations attaching, and the assets corresponding, to those Units and contains the Application Form.

Each Part of this PDS must be read in conjunction with the other Part. Neither Part of the PDS will be distributed without the other Part.

Responsible entity and issuer

The name and contact details of the responsible entity are:

Future Asset Management International Limited
C/- Bentleys, Level 10
10 Spring Street
SYDNEY NSW 2000

Ph: +61 1300 905 380
Fax: +61 1300 905 379

Email: info@futureamu.com.au
Web: www.futureami.com.au

Future Asset Management International Limited ACN 158 385 187 (**we, us** and **our**) is the issuer of, and solely responsible for, the PDS. We are licensed by ASIC (AFSL no. 424626) to act as responsible entity of the Fund.

Capital and investment returns not guaranteed

An investment in the Fund is an investment in a registered managed investment scheme. An investment in the Fund is not a bank deposit, bank security or other bank liability, and is subject to investment risk. Further, there is no guarantee of the repayment of capital from the Fund or the investment performance of the Fund.

Some of the risks involved with an investment in the Fund are considered in section 5.2 of Part 1.

Custodian

The custodian of the Fund is Australian Executor Trustees Limited ACN 007 869 794 (**Custodian** or **AET**). The Custodian is not the issuer of this PDS and makes no representations as to, and takes no responsibility for, the accuracy or truth of any statement or omission from any part of this PDS.

Reliance on PDS only

No person is authorised by us to provide any information or to make any statement in connection with the offer of Units

to you that is not contained in this PDS, comprising Part 1 and Part 2, or in Updated Information provided by us. You should only rely on the information contained in this PDS or any Updated Information in deciding to invest in the Fund.

PDS available electronically

If you are printing an electronic copy of this PDS, comprising Part 1 and Part 2, you must print all pages including the Application Form. If you make this PDS available to another person, you must give them the entire electronic file or print-out, including the Application Form. A paper copy of this PDS can also be obtained free of charge on request by calling us on +61 1300 905 380.

Offering restrictions

The offer under this PDS is available to persons receiving the PDS within Australia. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. This PDS does not constitute an offer to any person to whom, or in any place in which, it would be illegal to make that offer.

No financial product advice

The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation and needs. Accordingly, before you invest you should read this PDS, comprising Part 1 and Part 2, in full. We also recommend you talk to a financial adviser or other professional adviser before making an investment decision.

Investors to provide further information

If we request, you agree, and it is a condition of the issue of the Units, to provide certain information required by us or the Custodian in order to comply with any applicable law, including the *United States Foreign Account Tax Compliance Act (FATCA)* and the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth).

Privacy statement

Please read the privacy statement in section 10.8 of Part 1 of this PDS. By signing and returning the Application Form, you consent to the matters outlined in that statement.

Glossary and currency

Defined terms and abbreviations used in this PDS are explained in the Glossary. References to '\$' in this PDS are to Australian dollars unless stated otherwise.

Enquiries

If you have questions or require assistance with completing the Application Form or additional copies of the PDS, please contact us on +61 1300 905 380.

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1 Key investment features

The following table summarises the key features of an investment in the Fund and refers to the sections of this Part 1 of the PDS where you can find further information. You should read the PDS in full to properly understand your investment in the Fund.

Matter	Summary	Reference ¹
Investment objective and policy		
Responsible entity	The responsible entity of the Fund is Future Asset Management International Limited ACN 158 385 187, AFSL no. 424626.	7.1
Investment objective	<p>The objective of the Fund is to provide you with an investment in real property development by participating in property development opportunities in the commercial, industrial, retail or residential property sectors with the aim of achieving development profit for investors where you:</p> <p>(a) select which property developments opportunities you invest in by applying for a specific class of Units (Class); and</p> <p>(b) participate in the development profit (if any) generated by that property or those properties.</p>	<p>2.1</p> <p>Investors should also refer to Part 2 of the PDS for specific details about the investments relevant to a particular Class of Units.</p>
Fund details		
Fund structure	<p>The Fund is structured to provide you with an entitlement to share proportionally in the development profit (if any) generated by the properties corresponding to the Class of Units in which you invest.</p> <p>You can select which development properties you wish to invest in by applying for Units in the particular Class corresponding to that property or those properties.</p> <p>The Fund will establish one or more special purpose vehicles (Ownership Entity) corresponding to a Class of Units through which it will invest in property development opportunities for that Class. The Ownership Entity will either be a unit trust or company in which the Fund will own 100% of the units or shares on issue.</p> <p>How the Fund will invest</p> <p>Each Class of Units will correspond to a particular Ownership Entity which will acquire one or more development properties. We will seek subscriptions for Units in that Class to raise sufficient funds to purchase the development property or properties relating to that Class, meet construction and development costs and to cover the expenses associated with the purchase, development and the Offer.</p> <p>Upon raising funds for an Offer, Units will be issued to successful applicants and the Fund will, via the Ownership Entity, acquire and develop the property or properties as disclosed in Part 2.</p>	4.1

¹ All references are to sections in this Part 1 of the PDS.

Matter	Summary	Reference ¹
Investment term	<p>Classes of Units will either be issued with a fixed term or have no defined term.</p> <p>Classes of Units that are issued for a fixed term will generally be established to undertake a particular property development or developments, which will be developed and held by the Ownership Entity for the duration of that Class.</p> <p>We anticipate the term of each Class of Units with a fixed term will generally be between 2 to 5 years. At the end of the term, those Units will expire with no consideration payable to investors in that Class. However, prior to the end of the term, the property or properties relating to that Class will be realised and the net proceeds distributed to investors.</p> <p>Classes of Units with an ongoing term will generally be established to offer investment in a particular property sector, with properties purchased, developed and sold, and Units issued and redeemed, from time to time.</p> <p>Units in a Class with an ongoing term will continue for the duration of the Fund, unless investors in that Class resolve, by Extraordinary Resolution, to wind up the Class or we determine it is in the best interest of those investors to wind up that Class. If a Class is terminated either by investors or us, the property or properties corresponding to that Class will be sold and net proceeds distributed to investors in that Class.</p>	4.6

Offer structure

Part 1

4.2

Part 1 of this PDS provides information about the Fund's investment objectives and structure, details about us and our directors, the benefits and risks of investing in the Fund, information on fees and expenses which may be payable by you as an investor, a summary of the taxation implications of investing in the Fund, summaries of the material terms of key documents and other information relevant for you as an investor.

Part 2

Part 2 of this PDS contains information about the particular Offer, including:

- (a) specific details of the development property or type of development properties which the Fund will acquire;
- (b) details of the investment strategy of the Class;
- (c) the rights, obligations and term of the Class of Units offered (including whether the Class has an ongoing or fixed term);
- (d) the fees and expenses of the Class and Offer; and
- (e) a summary of the terms of any borrowings or other financial accommodation being obtained to assist the Fund with the purchase of the property and undertaking of the development.

Part 1 and Part 2 together constitute the entire PDS and you should read both documents in their entirety.

Matter	Summary	Reference ¹
Key investor information		
Benchmark 1 – Gearing policy	This benchmark is satisfied. We maintain and comply with a gearing policy.	3.2
Benchmark 2 – Interest cover policy	This benchmark is not satisfied. Interest will be capitalised on any loans obtained to assist fund the purchase and development of a property and an interest cover ratio cannot be calculated where interest is capitalised.	3.2
Benchmark 3 – Interest capitalisation	This benchmark is not satisfied. Interest will be capitalised or paid from funds raised from investors on any loans obtained to assist fund the purchase and development of a property.	3.2
Benchmark 4 – Valuation policy	This benchmark is satisfied. We maintain and comply with a valuation policy that meets the requirements specified by ASIC.	3.2
Benchmark 5 – Related party transactions	This benchmark is satisfied. We maintain and comply with our policy on related party transactions.	3.2
Benchmark 6 – Distribution practices	This benchmark is satisfied. The Fund will only pay distributions from its cash and operations (excluding borrowings) that are available for distribution.	3.2
Disclosure principle 1 – Gearing ratio	<p>The Fund's maximum gearing ratio is 85%, which will be calculated on a Class by Class basis. The maximum gearing ratio for each Class will be disclosed in Part 2.</p> <p>Note: See section 3.3 of this Part 1 for an explanation of gearing ratios.</p>	3.3
Disclosure principle 2 – Interest cover ratio	<p>As interest will be capitalised on any loan obtained to assist fund the purchase and development of a property or paid from funds raised from investors, an interest cover ratio will not be able to be calculated separately for each Class.</p> <p>Note: See section 3.4 of this Part 1 for an explanation of interest cover ratios.</p>	3.4
Disclosure principle 3 – Fund borrowings	<p>Finance may be obtained to assist in the purchase and development of a property. Any finance will be obtained by the Ownership Entity, rather than the Fund, and will be limited recourse with the financier's security limited to the property and other assets of the Ownership Entity. Therefore, borrowings obtained in connection with a Class will only be secured by the assets of that Class.</p> <p>Section 3.5 of this Part 1 contains a summary of our policy on the use of borrowings in connection with the Fund and the information which will be provided to you regarding borrowings.</p> <p>Part 2 will disclose the borrowings (if any) obtained, or intended to be obtained, in connection with the Class.</p>	3.5
Disclosure principle 4 – Diversification	<p>Units in a Class carry a beneficial interest in the property or properties corresponding to that Class and not the properties of the Fund as a whole.</p> <p>While some Classes may invest in more than one property, those properties will generally be in the same sector (i.e. commercial, industrial, retail or residential).</p> <p>Therefore, an investment in a Class of Units will not provide you with diversification across property sectors and, depending on the investment strategy of the particular Class, may not provide</p>	3.6

Matter	Summary	Reference ¹
	<p>exposure to more than one property. Details of each property or type of property proposed to be purchased and developed by the Fund, for which funds will be raised from investors and a Class of Units issued, will be contained in the Part 2 for the Offer of those Units.</p>	
<p>Disclosure principle 5 – Related party transactions</p>	<p>Generally, we do not expect properties owned by the Fund to be purchased from, or sold to, us or our associated entities. Any acquisitions from, sales to, or other transactions with, our related parties will be on arm's length terms. Further, the purchase of each property must be supported by an independent valuation.</p> <p>If we appoint a related party to provide services, such as development management services building, quantity surveying, property marketing or administrative services, in connection with a Class or Offer we will disclose the existence and terms of such appointment in Part 2. Any appointment of a related party will be on arm's length terms, including fees payable.</p> <p>Further information on our policy on related party transactions is contained in section 3.7 of this Part 1.</p>	<p>3.7</p>
<p>Disclosure principle 6 – Distribution practices</p>	<p>Generally, distributions will be paid upon completion and sale of the development property and we do not expect distributions will be paid throughout the term of a development.</p> <p>Distributions will be determined separately for each Class of Units and will predominantly reflect the net income and capital gains (if any) generated by the property or properties corresponding to that Class.</p> <p>The distribution practices for each Class of Units will be disclosed in Part 2.</p> <p>Income distributions will only be made from cash from operations (excluding borrowings) that are available for distribution. Distributions will not be made from borrowings or unrealised gains.</p> <p>Capital distributions may be made where the accounting income earned by the Fund attributable to a specific Class of Units exceeds the taxable income associated with those Units.</p> <p>For Classes of Units with a fixed term, a capital distribution will also be made on the sale of the property or properties corresponding to the Class on or before the expiration of the term of that Class of Units.</p> <p>For Classes of Units with no defined term, capital distributions may be made to investors in that Class if a property is disposed of or if the Class is terminated by us or investors in that Class.</p>	<p>3.8</p>
<p>Disclosure principle 7 – Withdrawal arrangements</p>	<p>We anticipate the Fund will be non-liquid, as defined in the Corporations Act, and therefore you will only have the opportunity to redeem your Units if we make a withdrawal offer in accordance with the Corporations Act and Constitution</p> <p>There is no guarantee we will make a withdrawal offer, the frequency with which any withdrawal offers will be made or, if a withdrawal offer is made, you will be able to redeem all or a particular number of your Units. For Classes of Units issued with a defined term, we do not expect withdrawal offers will be made prior to expiration of their term and the applicable term will be disclosed in Part 2.</p> <p>We only anticipate making a withdrawal offer for a Class if a property corresponding to that Class was sold and proceeds were available to fund a withdrawal. However, investors in that Class</p>	<p>3.9</p>

Matter	Summary	Reference ¹
	can, by Extraordinary Resolution, resolve to wind up that Class in which case all properties of that Class will be realised and net proceeds distributed.	
Disclosure principle 8 – Net tangible assets	We will disclose the net asset value per Unit for each Class in the Part 2 for the Offer of those Units and in key investor information updates.	3.10
Updated key investor information	<p>The key investor information disclosed above and contained in section 3.11 may change from time to time. We will disclose any updated information on our website, futureami.com.au.</p> <p>We will also send you updated key investor information half-yearly. Where there is a material change to the key investor information, we may be required to issue a supplementary PDS or a new PDS, or provide disclosure to investors.</p> <p>Further details about our procedures for updating investors are contained in section 3.11 of this Part 1.</p>	3.11
Investment details		
Issue price	<p>The issue price for the first offer of Units in a Class will be \$1 per Unit.</p> <p>For Classes of Units with an ongoing term, the second and any subsequent Offer of Units in that Class will be at the Unit value, which is essentially the net asset value of the Class of Units divided by the number of Units on issue in that Class plus a buy spread (if applicable).</p>	4.2
Minimum investment	<p>Generally \$25,000 and then in increments of \$5,000</p> <p>The minimum investment amount for each Offer will be disclosed in Part 2.</p>	2.3
Maximum investment	There is no maximum investment amount, subject to our right to refuse to accept any application at our sole discretion or to accept any application for an amount less than the amount indicated on the Application Form.	2.3
Subscription amount	<p>We will only proceed with an Offer if applications have been received for the full subscription amount applying to that Offer.</p> <p>Part 2 will disclose the subscription amount applying to an Offer.</p>	2.3
Transfer	You may transfer your Units to another person but there will be no established secondary market (e.g. stock exchange) for the Fund.	4.5
Fund term	No Units may be issued 80 years after establishment of the Fund.	
Fees and other costs		
Establishment fee	Nil	6.2
Contribution and application fees	<p>For our efforts in raising funds, we are entitled to be paid an application fee of up to 5.5% of the application moneys which is paid from the application money at the time the Units are issued.</p> <p>The application fee for each Class (if any) will be disclosed in the corresponding Part 2.</p>	6.2, 6.3

Matter	Summary	Reference ¹
Withdrawal fee	<p>Up to 5.5% of the redemption price of each Unit redeemed which is payable out of the redemption amount payable to an investor at the time Units are redeemed.</p> <p>The withdrawal fee for each Class (if any) will be disclosed in the corresponding Part 2.</p>	6.2
Exit fee	Nil	6.2
Management fee	<p>Management fees may be up to 5.5% per annum of the Gross Asset Value of the assets of a Class. The actual fees for a Class will be disclosed in the Part 2 PDS for the Offer of Units in that Class.</p> <p>These fees are payable from the assets of the applicable Class.</p>	6.2, 6.3
Performance fee	<p>The Constitution enables us to be paid a performance fee of up to 22% of the amount by which the increase in the value of a unit over the six month calculation period exceeds a hurdle rate.</p> <p>The actual performance fee for a Class (if any) will be disclosed in the Part 2 PDS for the Offer of Units in that Class.</p>	6.2, 6.3
Fund expenses	We are entitled to be paid or reimbursed for all expenses and liabilities incurred in connection with operating the Fund. These expenses are expected to be up to 1% per annum of the Fund's Gross Asset Value.	6.2, 6.3
Features		
What is being offered?	<p>The Offer is of Units in the Fund.</p> <p>A separate Class of Units will be issued against the property or properties allocated to that Class and details of those Units and the corresponding property or properties are contained in Part 2.</p>	2.2
Benefits	<p>There are a number of benefits of investing in the Fund. These benefits may include:</p> <ul style="list-style-type: none"> (a) you are able to select the specific development property or properties, or type of development property or properties, in which you will invest and shares in the risks and rewards of that property or those properties; (b) the opportunity to participate in any development profit received on the sale of a property; (c) you may be able to select whether to invest in Units with a fixed or ongoing term; and (d) you can benefit from the expertise and experience of our Board. 	5.1
Risks	<p>All investments carry a risk. There are a number of risks associated with an investment in the Fund. Some of the key risks that may impact on the value of your investment in the Fund include:</p> <ul style="list-style-type: none"> (a) lack of diversification – you will have an interest in a property or properties corresponding to the Class of Units you invest in, but will not have an interest in the Fund properties as a whole. Therefore, the performance of your investment will be predominantly dependent upon the performance of the property or properties in which you invest; (b) construction and development risk – there is no 	5.2

Matter	Summary	Reference ¹
	<p>guarantee that a builder engaged to construct or develop a particular development property will complete the development on time or within budget, which may result in construction cost increases;</p> <p>(c) valuation risk – the value of the property upon completion of the development may be less than expected, including as a result of general property market or economic conditions;</p> <p>(d) distribution risk – there is no guarantee that distributions will be paid or, if paid, the amount of any distribution; and</p> <p>(e) liquidity – there is no secondary market for Units. We expect the Fund will be non-liquid and you will only be able to redeem your Units in accordance with a withdrawal offer made by us. There is no assurance that withdrawal offers will be made with any particular frequency, you will be able to redeem your Units or, if a withdrawal offer is made, you will be able to redeem all or a desired number of your Units pursuant to that offer. For Classes of Units with a defined term, we do not expect withdrawal offers will be made prior to expiration of their term and the applicable term will be disclosed in Part 2.</p> <p>These and other risks are detailed in section 5.2 of Part 1 and any further risks specific to a particular Class of Units or Offer will be detailed in the Part 2.</p>	
Reporting to investors	<p>You will receive:</p> <p>(a) confirmation of your investment in Units;</p> <p>(b) an annual taxation summary; and</p> <p>(c) an annual periodic statement.</p> <p>You can elect to be sent, either by post or electronically, annual financial statements for the Fund by marking the appropriate box on the Application Form.</p>	2.4
Additional information		
Tax	<p>Investing in the Fund may have taxation consequences for you. We recommend you seek professional tax advice before investing in the Fund.</p>	8
Complaints resolution	<p>Any complaints can be made by contacting us. Our contact details are set out below.</p> <p>Future Asset Management International Limited C/- Bentleys, Level 10 10 Spring Street SYDNEY NSW 2000</p> <p>Ph: +61 1300 905 380 Fax: +61 1300 905 379 Email: info@futureamu.com.au</p>	10.5

2 Investment objectives, details and how to invest

2.1 Investment objective

The Fund's investment objective is to generate return for investors through the purchase and development of commercial, industrial, retail or residential properties, where you:

- (a) select which property development opportunities you invest in by applying for a specific Class of Units; and
- (b) participate in the development profit (if any) generated by that property or those properties.

We will consider development opportunities which meet the Fund's investment objectives throughout Australia.

2.2 Investment details

The Fund will consider property development opportunities in the commercial, industrial, retail and residential property sectors. Examples of development properties which may be considered by the Fund include:

Sector	Example
Commercial	The development of an office building
Industrial	The development of a warehouse
Retail	The development of a shopping centre
Residential	A land subdivision comprising of house and land packages

Property developments will typically involve the identification and purchase of a property development site, obtaining approvals to undertake the development, construction of the development and sale of the completed product. The cost of purchasing the property and undertaking the development will be funded from money raised from investors and, for some developments, borrowings, and investors will share in any profits generated on completion and sale of the development.

2.3 How do I invest in the Fund?

Direct investors

Information about the particular property or properties, or type of property or properties, offered for investment and the Class of Units available for subscription are contained in Part 2 of this PDS. The Part 2 will also disclose the investment strategy for that Class and the number of Units available for subscription in that Class.

To invest in a particular, or particular type of, development property or properties by purchasing Units in the applicable Class, and therefore the Fund, please read the PDS, comprising both Part 1 and Part 2, and complete and lodge a paper copy of the Application Form attached to the Part 2 in accordance with the instructions on that form.

The Application Form must be accompanied by a cheque made payable in accordance with the instructions in the Application Form. You should return your completed Application Form and cheque, by mail or delivery, to the address specified in the Application Form.

Alternatively, payment of application money may be made electronically by EFT to our applications account. If you wish to pay by EFT, you must contact us prior to making payment.

Please refer to the guide to the Application Form for instructions on the payment of application money by EFT. A receipt for payment will not be issued. If you pay the application money by EFT, the completed Application Form must still be returned to us by mail or delivery as specified above.

When you apply to invest in the Fund, your money is held in trust in an applications account until we accept your application. We have an absolute discretion to reject any application and are not required to give a reason.

We will only proceed with an Offer where valid applications have been received for the subscription amount sought under the Part 2. If valid applications have not been received for the subscription amount within four months of the date of the Part 2 for that Offer, we will repay all application moneys, with any interest earned on that money but after deduction of any tax and bank charges (provided you will not receive less than the amount of your application money), or extend the Offer period subject to compliance with the Corporations Act.

Similarly, if your application is declined, your application money will be returned promptly, with interest (if any) earned on your application money but less any fees charged by the bank and any taxes we are required to withhold from the interest paid to you. However, you will not receive less than the amount of your application moneys.

Where the Offer relates to a specific development property or properties as disclosed in the Part 2, Units will be issued prior to settlement of the purchase of the applicable development property or properties to which the Offer relates, provided the purchase contract is unconditional and the Offer is fully subscribed.

Any interest earned on the application money for which Units are issued will form part of the assets of the Class to which those Units belong.

Indirect Investors

If you invest through an IDPS, such as investor directed portfolio services, wrap accounts and master trusts, your rights and liabilities will be governed by the terms and conditions of the disclosure document given to you by the relevant IDPS Operator (**IDPS Guide**). Indirect investors should carefully read the IDPS Guide before investing in the Fund.

Indirect investors should note that they are directing their IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect investors do not become investors in the Fund or have rights of investors. The IDPS Operator becomes the investor in the Fund and acquires these rights. The IDPS Operator can exercise or decline to exercise the rights on an indirect investor's behalf according to the arrangement governing the IDPS. Indirect investors should refer to their IDPS Guide for information relating to their rights and responsibilities as indirect investors, including information on any fees and charges applicable to their investment.

Information about how indirect investors can apply for Units in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. We accept no responsibility for IDPS Operators or any failure by an IDPS operator to provide indirect investors with a current version of this PDS as provided by us or to withdraw the PDS from circulation if required by us.

If you are investing through an IDPS:

- (a) your IDPS Operator will complete the Application Form for you. Do not complete the Application Form attached to this PDS. Your IDPS Operator will be able to advise you of the minimum investment amounts that relate to you; and
- (b) if we make a withdrawal offer, you will need to provide your withdrawal request directly to your IDPS Operator. You will need to contact the relevant IDPS Operator regarding their withdrawal request cut-off times for pricing purposes. The time to process a withdrawal request will depend on the particular IDPS Operator. You should refer to the IDPS Guide for the minimum withdrawal amount.

We authorise the use of this PDS by investors investing in the Fund indirectly through an IDPS Operator.

2.4 Reporting

You will receive written confirmation of your purchase of Units as well as the following regular updates:

- (a) an annual taxation statement; and
- (b) an annual periodic statement.

The Fund's annual financial statements can, when available, be downloaded from our website at www.futureami.com.au. Alternatively, if you wish to receive annual financial statements by mail or email, please tick the appropriate box on the Application Form.

3 Key investor information

3.1 Legislative background

ASIC has developed six benchmarks and eight disclosure principles for unlisted property schemes, being managed investment schemes which have 50% or more of their assets in real property, to assist retail investors understand the risks, assess the rewards being offered and decide whether these investments are suitable for them.

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

3.2 Benchmark disclosure

Criteria Met (Yes/No)	Further disclosures and if criteria not met, why not?
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Benchmark 1: Gearing policy

The responsible entity should maintain and comply with a written policy that governs the level of gearing at an individual credit facility level.

Yes

Where we utilise financial accommodation to assist fund the purchase of a property and the associated development costs, this will involve the Ownership Entity, in which the property is held, obtaining a loan from the relevant lender. Therefore, the Ownership Entity, rather than the Fund, will be the borrower.

All financial accommodation obtained will be limited recourse to the property (and any other assets of the Ownership Entity) for which the borrowings are obtained and have a maximum gearing ratio of 85% of the value of those assets.

That is, the gearing ratio will be calculated separately for each Class.

We currently comply with this policy.

Benchmark 2: Interest cover policy

The responsible entity should maintain and comply with a written policy that governs the level of interest cover at an individual credit facility level.

No

Where a loan is obtained to assist with the purchase and development of a property, interest will generally be capitalised and paid at the end of the loan term or paid during the loan term from the funds raised from investors. As such, an interest cover ratio will not be able to be calculated and a targeted interest cover ratio will not be set for that loan.

This is because the Ownership Entity will rely on proceeds from the sale of the completed development or funds raised from investors to meet the interest owing and the Ownership Entity will not have other sources of earnings to pay interest throughout the loan term.

Benchmark 3: Interest capitalisation

The interest expense of the scheme is not capitalised.

No

We do not meet this benchmark as the Fund intends to offer

Criteria Met (Yes/No)	Further disclosures and if criteria not met, why not?
	<p>investment opportunities in development properties.</p> <p>Where we obtain financial accommodation to assist fund the purchase and development of a development property, the interest will generally be capitalised as it is unlikely the property will generate income during the development. The interest expense and loan principal will typically be repaid upon sale of the completed development.</p> <p>The total cost of a loan is generally higher when interest is capitalised, rather than paid regularly throughout the loan term, as the interest is added to the loan principal and future interest calculated on the increased principal amount. Therefore, capitalising interest may adversely impact the returns achieved on the sale of a development property, particularly if the development takes longer to complete or sell than anticipated.</p>

Benchmark 4: Valuation policy

The responsible entity maintains and complies with a written valuation policy that requires:

- (a) a valuer to be independent and to be registered or licensed in the relevant State, Territory or overseas jurisdiction in which the property is located (where a registration or licensing regime exists), or otherwise be a member of an appropriate professional body in that jurisdiction;**
- (a) procedures to be followed for dealing with any conflicts of interest;**
- (b) rotation and diversity of valuers;**
- (c) valuations to be obtained in accordance with a set timetable;**
- (d) for each property, an independent valuation to be obtained before the property is purchased:**
 - (i) for a development property on an 'as is' and 'as if complete' basis; and**
 - (ii) for other property, on an 'as is' basis; and**
- (e) for each property, an independent valuation to be obtained within two months after the directors form a view there is a likelihood that there has been a material change in the value of the property.**

Yes	<p>Our policy is to obtain an independent valuation of each property prior to agreeing to purchase the property. Obtaining a valuation at the time of purchase minimises the risk of paying above market value for the property. Rather than commissioning a valuation, we may accept the assignment of an existing independent valuation to us, provided that valuation meets our requirements.</p> <p>In some instances the purchase price of the property may be higher than the valuation. In these situations we will outline, in the Part 2, why there is a difference and why we support the purchase even though the purchase price is higher than the valuation.</p> <p>We will also obtain valuations of each property where required by the Constitution or accounting standards which is generally at least every 3 years or within two months of the Board forming the view that there has been a material change in the value of the property.</p>
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Criteria Met (Yes/No)	Further disclosures and if criteria not met, why not?
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Approved valuers

Valuations must be undertaken by approved independent valuers who are either chosen from our panel or otherwise meet our standards for panel valuers. All valuers we instruct must adhere to our valuation guidelines.

Valuers utilised must be a member of the Australian Property Institute or similar body, authorised under the law of the State or Territory where the property is located to practice as a valuer (where possible), be experienced in valuing the relevant type of property, have a knowledge of the local property industry and hold appropriate professional indemnity insurance.

We are responsible for appointing valuers and may remove any valuer from our panel who ceases to meet our guidelines.

Valuation requirements

In valuing a property we generally require the valuer to:

- (a) value development properties on an 'as is' basis and 'as if complete' basis assuming completion of the development, and on the assumption that there is a buyer and seller who are both willing, but not anxious;
- (b) assume that a reasonable period is allowed for a sale, having regard to the nature of the property and the state of the market for properties of the same kind;
- (c) assume that the property is reasonably exposed to the market;
- (d) disregard the effect of any higher price that may be paid by a person with a special interest in the property; and
- (e) assume that reasonable resources are available for negotiation, sale and marketing of the property.

Valuers are required to confirm to us that they have no interest in the property being valued and are not related to the seller in any way.

At the time of the purchase, the valuation must not be more than ninety days old unless the Board determines the valuation is reflective of current market value based on their knowledge of the market and evidence available to them.

We ensure the same valuer does not undertake more than two consecutive valuations of a property.

We currently comply with our valuation policy and you can obtain a copy of our policy by contacting us on +61 1300 905 380.

Benchmark 5: Related party transactions

The responsible entity maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.

Yes

Our policy on related party transactions requires:

- (a) any related party arrangements to be approved by the Board;
- (b) prior to entering into an arrangement with a related party, we must obtain proposals or quotes from at least

Criteria Met (Yes/No)	Further disclosures and if criteria not met, why not?
	<p>two unrelated service providers to ensure any related party arrangement is on commercial arm's length terms;</p> <p>(c) a review of the related party's performance of, and compliance with, their obligations under a related party agreement must be undertaken at least annually and the review reported to the Board; and</p> <p>(d) all related party arrangements must be entered into the register for related party interests.</p> <p>We currently comply with our policy on related party transactions and you can obtain further details of our policy by contacting us on +61 1300 905 380.</p>

Benchmark 6: Distribution practices

The scheme will only pay distributions from its cash from operations (excluding borrowings) available for distribution.

Yes	The Fund will only pay distributions from its cash from operations (excluding borrowings) available for distribution.
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3.3 Disclosure principle 1 - Gearing ratio

The gearing ratio indicates the extent to which the Fund's assets are funded by interest bearing liabilities. It gives an indication of the potential risks the Fund faces in terms of its level of borrowings due to, for example, an increase in interest rates or a reduction in property values.

A higher gearing ratio means a higher reliance on external liabilities (to fund assets). This would expose the Fund to increased funding costs if interest rates rise. A highly-g geared scheme has a lower asset buffer to rely upon in times of financial stress.

The Fund may utilise financial accommodation to assist financing the purchase of a property and the associated development costs. We anticipate this will generally involve an Ownership Entity, being a company or unit trust wholly owned by the Fund (and, for a unit trust, of which we are the trustee), in which the property will be held, obtaining a loan from the relevant lender. Therefore, the Ownership Entity will be the borrower and not the Fund. All financial accommodation obtained will be limited recourse to the property (and any other assets of the Ownership Entity) for which the funding is obtained and have a maximum gearing ratio of 85% of the value of these assets.

Details of any financial accommodation to be obtained in connection with a property, and the corresponding gearing ratio for that Class, will be disclosed in the Part 2 for the Offer of that Class of Units. The gearing ratio for a Class of Units will also be disclosed in the half-yearly reports sent to investors.

Details on our policy regarding the use of borrowings in operating the Fund are discussed at section 3.5 of Part 1.

3.4 Disclosure principle 2 - Interest cover ratio

Interest cover gives an indication of the Fund's ability to meet interest payments from earnings. Interest cover measures the ability of the Fund to service interest on debt from earnings. It is a critical indication of the Fund's financial health and key to analysing the sustainability and risks associated with the Fund's level of borrowing.

The lower the interest cover, the higher the risk that a scheme will not be able to meet its interest payments. A scheme with a low interest cover only needs a small reduction in earnings (or a small increase in interest rates or other expenses) to be unable to meet its interest payments.

The Fund will likely, via an Ownership Entity, obtain financial accommodation to assist financing the purchase and, if applicable, development of a property and such borrowings will be interest bearing debt. We expect any borrowings obtained in connection with a property will provide for interest to be capitalised, meaning interest is added to the loan principal and payable at the end of the loan term and not throughout the loan term or paid from the funds raised from investors. Consequently, an interest cover ratio cannot be calculated. This is because the Ownership Entity will rely on proceeds from the sale of the completed development or funds raised from investors to meet interest payments and the Ownership Entity will not have other sources of earnings sufficient to cover interest.

The total cost of a loan is generally higher when interest is capitalised, rather than paid regularly throughout the loan term, as the interest is added to the loan principal and future interest calculated on the increased principal amount. Therefore, capitalising interest may adversely impact the returns achieved on the sale of a development property, particularly if the development takes longer to complete or sell than anticipated. The capitalisation of interest is common to development finance due to the nature of property development.

Refer to section 3.5 of Part 1 for our policy on the use of borrowings in operating the Fund.

3.5 Disclosure principle 3 - Fund borrowings

Financial accommodation may be obtained to assist in purchasing and developing the property, and details of any borrowings will be disclosed in the Part 2 relating to the Offer of Units in the Class corresponding to a particular property. Any such borrowings will be secured by a limited recourse loan over the relevant property and the Ownership Entity and therefore a financier will not have recourse against the assets of any other Class.

If we obtain borrowings in connection with a property, we will seek to enter into an interest only loan (with either a fixed or variable rate or a combination, as we determine) with a maximum loan to value ratio of not more than 85% of the value of the property, for a term of 12 months to 5 years and where the applicable Ownership Entity is the borrower.

We may also borrow funds on behalf of the Fund to meet Fund expenses in the event there is a shortfall in Fund income. These borrowings, if any, would likely be by way of a credit or overdraft facility and unsecured.

If the Fund obtains borrowings, including via an Ownership Entity, we will disclose to you, at least half-yearly or more frequently if required by the Corporations Act, the following details for the borrowings relating to your Class and the Fund generally (if any):

Item	Disclosure required
Borrowings maturing in five years or less	The aggregate amount owing and the maturity profile in increments of no more than 12 months.
Borrowings which mature in more than five years	The aggregate amount owing.
Credit facilities	The aggregate undrawn amount, the assets to which the facility relates, the loan-to-valuation ratio and interest cover covenants under the terms of the facility, the interest rate and

Item	Disclosure required
	whether the facility is hedged.
Credit facilities	The amount (expressed as a percentage) by which either the operating cash flow or the value of the asset or assets used as security for the facility must fall before the Ownership Entity will breach any covenants in any credit facility.
Credit facilities	Details of any terms within the facility that may be invoked as a result of investors exercising their rights under the Constitution.

Where borrowings are to mature within 12 months, we will, where possible, provide comments on the prospects of refinancing or other alternative action. Where borrowings contain loan covenants and the covenants are breached, this information will also be disclosed to you.

Where borrowings are secured by limited recourse security over the property and Ownership Entity of a particular Class, this information will be determined for that Class and disclosed to investors in that Class.

You must appreciate that where the Fund or Ownership Entity utilises borrowings, lenders are entitled to recover money owing to them prior to you receiving the return of moneys you invest in the Fund.

The Constitution permits us to borrow on behalf of the Fund, though, for each Class, the Constitution limits borrowings to 85% of the value of the gross assets of the Class (excluding intangibles).

3.6 Disclosure principle 4 - Portfolio diversification

ASIC requires a PDS to disclose the composition of real property owned by a scheme, including a breakdown of properties across geographic location and sector by number and value, lease expiry profile, occupancy rates, valuation details for significant properties and other information. However, we consider it would be misleading and inappropriate to include this information for the Fund, given investors will have a beneficial interest in particular property or properties corresponding to their Class of Units and not in the Fund's properties as a whole.

Diversification is important as, generally, the more diversified a portfolio is, the lower the risk that an adverse event affecting one property will put the overall portfolio at risk.

Over time, it is likely the Fund will, through Ownership Entities, own a number of properties. The Fund is structured so that each property is allocated to a specific Class of Units (and some Classes of Units may relate to only one property and other Classes of Units may have a number of properties allocated to them, with the properties changing from time to time as properties corresponding to that Class are bought and sold) and investors in that Class have a beneficial interest in that property but not in the properties of any other Class.

Therefore, lack of diversification is a key risk of investing in the Fund. However, we believe the advantage of this structure is that you can choose which property or properties you invest in or do not invest in, rather than having a proportional interest in all properties owned by the Fund, some of which you may not believe are a suitable investment for you.

The half-yearly updates on the key investor information provided to you will include an update on the progress of the development and details of any recent valuation. These updates will include a description of the status of the development against the key milestones identified in Part 2 or

as otherwise disclosed to investors, a summary of the funding arrangements for the development (if any), whether the loan-to-valuation ratio for the development property exceeds 70% of the 'as is' valuation of the asset, and the risks associated with the development.

3.7 Disclosure principle 5 - Related party transactions

Properties acquired for the Fund, in which investors will be offered an opportunity to invest, may include properties owned by us or our related parties though we expect this will be unlikely to occur. Further, development managers, builders, quantity surveyors, investment managers, marketing agents and other service providers engaged to assist with a development or provide administrative services to an Ownership Entity may include our related parties.

All properties, including those to be acquired from us or our related parties, will be subject to independent valuation undertaken by a valuer with no pecuniary interest or other conflict in the property, the seller of the property or us. The purchase price for a property acquired from us or our related parties must be equal to or less than the market value as assessed by the valuer.

In accordance with the Constitution, the fees payable to a service provider who is a related party must be at the rate normally charged for the provision of the service.

If a property will be purchased by us from a related party or a related party will be engaged as a development manager, builder or quantity surveyor, or to provide other services in connection with a property or Ownership Entity, full details of the relationship will be disclosed in Part 2 for the Offer of Units corresponding to that property, including:

- (a) the value of the property and the purchase price to be paid, or the fees to be paid to the related party;
- (b) the nature of the relationship between us and the related party;
- (c) whether investor approval for the transaction will be obtained or whether investor approval is not required, for example, as the transaction is on arm's length terms;
- (d) any particular risks associated with the related party arrangement; and
- (e) whether we have complied with our related party policy for the particular arrangement and how compliance is monitored.

We do not expect investor approval will be required for any related party transactions as they will be on arm's length terms. For example, the purchase of any property from a related party will be for a purchase price equal or less than the market value of the property determined by the valuer. Also, the terms on which any related party is engaged to provide services and the fees payable will be the same or more favourable for the Fund than dealings with an unrelated party.

3.8 Disclosure principle 6 - Distributions

The Fund will only make distributions from cash from operations (excluding borrowings) available for distribution and not from unrealised gains or, with the exception of distributions of net proceeds from the sale of a property, from capital.

Where accounting income for a particular Class exceeds the taxable income for a financial year (see section 8 of Part 1 for further information), we may distribute this excess, which will be treated as a capital, and not income, distribution from an investor's taxation perspective.

It is not expected distributions will be paid for those Classes during the construction phase of the development as no income will be generated.

Any other Fund income allocated to a Class or other net income of that Class will be distributed at the end of the financial year to investors in that Class.

We expect distributions to be paid for a Class upon the sale of the applicable property, subject to the Fund having sufficient income. The intended timing of distributions for a Class will be disclosed in Part 2 for the Offer of Units in that Class.

Any distribution received by you will primarily represent your proportional interest in the net income earned from the property or properties associated with your Class of Units.

We do not guarantee the payment, or amount, of distributions.

3.9 Disclosure principle 7 - Withdrawal arrangements

We expect you will only be able to have your Units redeemed where we make a withdrawal offer for that Class. We do not represent or guarantee the frequency with which any withdrawal offers will be made or, if a withdrawal offer is made, you will be able to redeem all, or a particular number, of your Units. Withdrawal offers may be made for one or some Classes of Units and not others. We will only make a withdrawal offer for a Class of Units where we are able, and believe it appropriate, to make a capital return to investors in that Class, for example as a result of the disposal of a property corresponding to that Class. Further, for Classes of Units with a defined term, we do not expect withdrawal offers will be made prior to expiration of their term and the term will be disclosed in the applicable Part 2.

Any withdrawal offer must be made in accordance with the Corporations Act and Constitution which requires:

- (a) notice to be given to all investors in that Class and lodged with ASIC;
- (b) the offer to specify which assets be used to satisfy the withdrawal request and the amount of money expected to be available to satisfy withdrawal requests upon realisation of the property; and
- (c) the period for which the offer will remain open (which must be at least 21 days).

If the number of redemption requests received exceeds the amount of money available to satisfy withdrawal requests, the Corporations Act requires each investor's request to be scaled back pro rata. We may cancel a withdrawal offer before it closes where permitted by the Corporations Act and Constitution.

For each Class of Units with a defined investment term, immediately prior to the expiration of that term, any property and other assets of that Class will be sold and the net proceeds distributed to you proportionately in conjunction with other investors in that Class. Where applicable, the investment term for a Class of Units will be disclosed in the Part 2 relating to the Offer of those Units.

The Constitution enables investors to request the redemption of their Units while the Fund is liquid and subject to compliance with any requirements or conditions we determine. The Constitution contains procedures for the making and processing of withdrawal requests and enables us to take up to 12 months to satisfy a withdrawal request. We may also impose conditions on the redemption of Units including, for example, imposing restrictions on the maximum number of Units that may be redeemed. We may also suspend the redemption of Units in any Class in certain circumstances.

However, the Fund will only be liquid if at least 80% of its assets are liquid assets, as defined in the Corporations Act. We expect, given the nature of the Fund's assets, the Fund will be non-liquid and accordingly investors will only be able to redeem Units if we make a withdrawal offer.

3.10 Disclosure principle 8 – Net tangible assets

We will disclose the net tangible asset (**NTA**) value per Unit for each Class in the Part 2 for the Offer of Units in that Class as well as an updated NTA value per Unit for your Class of Units in the half-yearly updates on key investor information provided to you.

The NTA value per Unit for a Class will be calculated as the net asset value of the assets of that Class less the value of any intangible assets, divided by the number of Units on issue in that Class. If there are any adjustments to this formula, they will also be disclosed to investors.

The NTA value per Unit will be calculated on a Class, rather than Fund, basis as you will have a beneficial interest in the property or properties and any other assets corresponding to your Class but not in the Fund assets as a whole.

The NTA value per Unit illustrates the net tangible asset backing of each Unit in the applicable Class and will enable you to easily identify whether the value of your Units has increased or decreased since their issue. If the NTA value per Unit is less than the initial issue price, it may indicate that you will incur a capital loss on your investment.

3.11 Updated key investor information

The key investor information contained in this section will be updated from time to time. We will communicate updated information on our website, www.futureami.com.au, from time to time.

We will also send you a half-yearly update on key investor information. Where there is a material change to the key investor information contained in this PDS we may issue a supplementary PDS or new PDS. Where required, we will also notify investors of material changes to key investor information.

4 Fund details

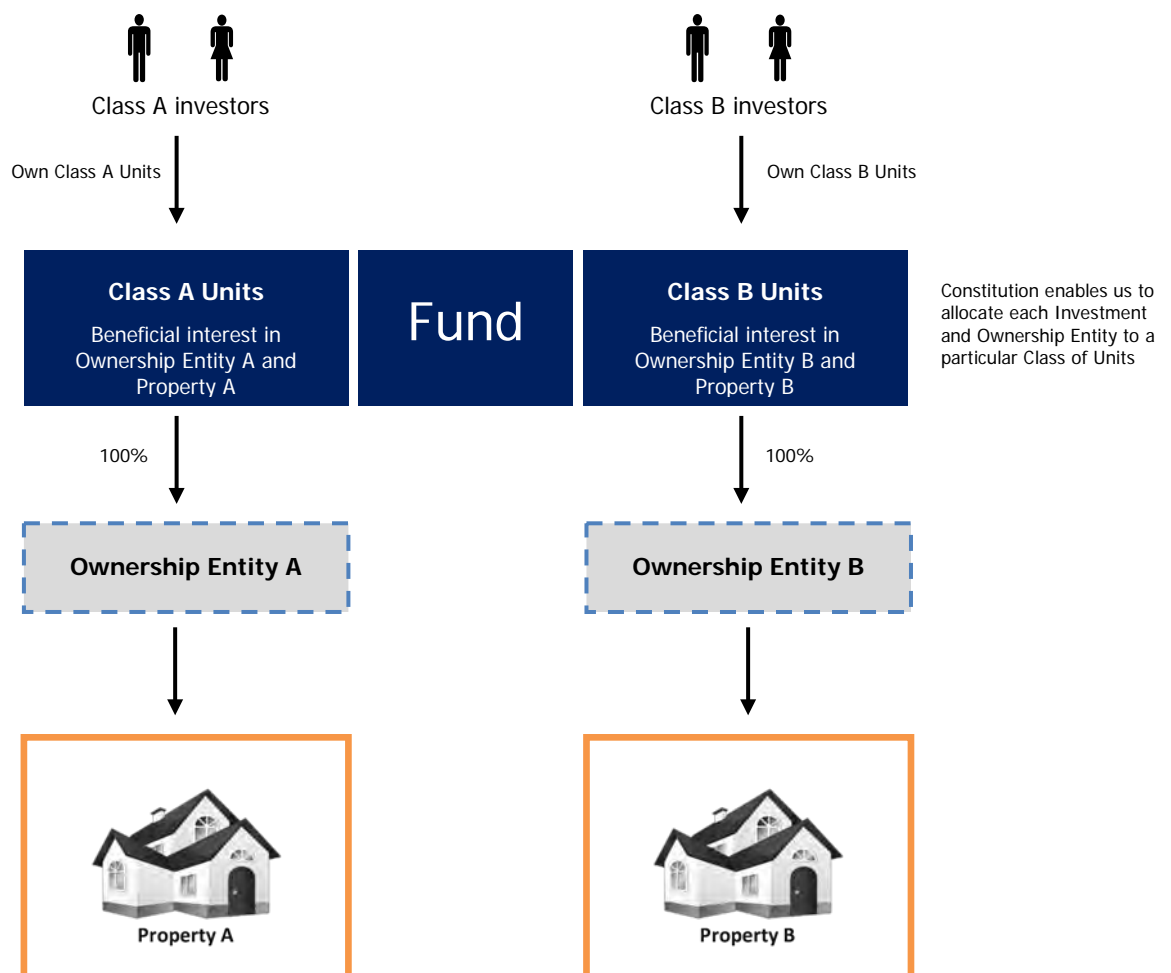
4.1 Fund structure

The Fund is an unlisted, registered managed investment scheme structured as a unit trust.

The Fund offers you the opportunity to have investment exposure to a particular development property or properties.

Each development property will be allocated to a separate Class of Units and some Classes of Units may have more than one property allocated to them. Investors in a Class of Units will have a proportionate beneficial interest in the property or properties corresponding to that Class and also a proportionate beneficial interest, along with investors in all other Classes, in the residual (non-property) assets of the Fund, if any, not allocated to any Class. Investors will not have a beneficial interest in a property corresponding to another Class of Units.

The following diagram illustrates the structure of the Fund.



Generally, Classes of Units will be issued with either:

- (a) a fixed investment term and relate to a particular property or properties, details of which will be provided in the Part 2 relating to that Class; or
- (b) an ongoing investment term and relate to a particular property sector with details of the initial properties, or types of properties, to be acquired disclosed in the Part 2 relating to that Class with the ability to raise funds under future Offers to purchase additional properties.

For Classes of Units created with a fixed term, a particular property or properties will be acquired, developed and held for the term of those Units. Sufficient funds will be raised under the Part 2 for that Offer to fund, in conjunction with any financial accommodation, the acquisition and development of the property or properties and details of the development opportunity will be disclosed in the Part 2. Upon the issue of Units pursuant to the Offer, no further Units will be issued in that Class and the Part 2 for a fixed term Class of Units will disclose the number of Units offered in that Class.

For Classes of Units with an ongoing term, the Class will invest in properties in a particular sector, such as industrial, commercial, retail or residential properties. The investment strategy for the particular Class will be disclosed in the Part 2 for that Offer. Funds raised under the Offer will be applied in the acquisition of the property or properties in accordance with the investment strategy and details of the initial properties, or type of initial properties, will be contained in the Part 2. On completion of the initial offer, further Units in the Class may be offered from time to time to raise funds to facilitate the acquisition of further properties in accordance with the investment strategy of that Class.

The Fund is designed to enable you to participate in the benefits, returns and risks of the property or properties corresponding to the Class of Units in which you invest but not the benefits, returns and risks of other properties, though you will have an interest in any residual assets, liabilities, income or expenses of the Fund which do not correspond to any specific Class.

While the Fund is structured to ensure the performance of a property corresponding to a particular Class does not affect the returns (if any) achieved by investors holding Units in another Class which corresponds to a different property, the Fund is a single entity, including for taxation purposes, and there remains a risk this could occur.

Each property and any other non-property assets corresponding to a Class will be held in a separate Ownership Entity, being either a unit trust of which the Fund is the sole unitholder and we are the trustee, or a company of which the Fund is the sole shareholder, which further minimises the risk of a particular Class adversely affecting another Class. For further details of these risks, you should refer to section 5.2 of Part 1.

Other Classes of Units will be established and offered under their own product disclosure statements, with separate sub-funds and Ownership Entities established for each Class. Investors in a Class will have investment exposure to the assets held by the sub-fund and Ownership Entities corresponding to that Class. The Fund has a wide investment mandate and can invest in real property and financial assets.

Different Classes of Units may carry different terms and conditions including in relation to investment term, investment strategy, fees and other matters as the rights of a Class will be disclosed in a product disclosure statement relating to that Class.

The Fund is designed to enable you to participate in the benefits, returns and risks of the assets and investments corresponding to the Class of Units in which you invest but not the benefits, returns and risks of the assets and investments of other Classes of Units, though you will have an

interest in any residual assets, liabilities, income or expenses of the Fund which do not correspond to any specific Class.

However, the Constitution provides that if the net income for any Class of Units to be distributed to investors represents a return in excess of 50% of the original amount of the investment (adjusted for increases in the Consumer Price Index), then 0.01% of the excess will be held the benefit of all investors.

While the Fund is structured to ensure the performance of investments corresponding to a particular Class do not affect the returns (if any) achieved by investors holding units in another Class which correspond to different investments, the Fund is a single entity, including for taxation purposes, and there remains a risk this could occur.

The investments and any other assets corresponding to a Class will be held, either directly or through an Ownership Entity, by a sub-fund, being either a unit trust of which the Fund is the sole unit holder or a company of which the Fund is the sole shareholder, with a separate sub-fund established for each Class which further minimises the risk of a particular Class adversely affecting another Class. For further details of these risks, you should refer to section 5.2.

4.2 Offer process

If we have identified a property development opportunity which we believe is a suitable investment opportunity and is consistent with the Fund's objectives, we will arrange for an Ownership Entity to enter into a contract to purchase the property or an option or another arrangement securing the right to purchase the property. Settlement of the purchase of the property will, in addition to usual property acquisition conditions (for example, due diligence), generally be conditional upon the raising of sufficient funds, via an offer of Units, to complete the purchase of the property and meet the budgeted costs of undertaking the development (less the amount of any loan to be obtained to fund the purchase and the development).

We will undertake extensive due diligence on each property and each property will be selected on the basis of the following criteria:

- (a) the property is located in a recognised growth area;
- (b) the development can be constructed by suitably qualified and experienced project developers and builders;
- (c) the purchase price of the property and the gross realisation of the completed development are supported by an 'as is' and 'as if complete' valuation undertaken by an approved valuer (refer to section 3.2 of Part 1) and, if the purchase price is higher than the 'as is' valuation, accompanied by an explanation, in the Part 2, of the variance between the independent valuation and the purchase price; and
- (d) the construction costs are supported by an assessment undertaken by an independent quantity surveyor, land surveyor or other appropriate professional having regard to the size and nature of the proposed development.

Details of a development opportunity will be contained in Part 2 of the PDS, and a separate Part 2 will be issued for each Offer. Part 2 will contain information about the property (or properties), or type of property (properties), including, where applicable, the purchase price, location, and anticipated construction costs. Where a particular property is identified in Part 2, then, subject to the requirements of the Corporations Act, the Part 2 will include a summary of the valuation report for the property.

We may develop a property in conjunction with other parties as a joint venture, where the Ownership Entity and other joint venture parties will jointly own a property and, if applicable, undertake the development. If a property will be owned or development undertaken as a joint venture, this will be disclosed in the applicable Part 2 along with other information about the terms and conditions of the joint venture arrangement. We will allocate each property to a Class of Units (and two or more properties may be allocated to a Class of Units) and investors who wish to invest in a particular property or type of property will be able to subscribe for the corresponding Class of Units by completing the Application Form in accordance with the instructions in the applicable Part 2.

Part 2 will also provide information on the rights and obligations attaching to the Class of Units, the investment strategy of that Class, the number of Units available under the Offer, whether the Class has a fixed or ongoing term and whether further Units will be available.

The issue price for the first offer of Units in a Class will be \$1 per Unit. For Classes of Units with an ongoing term, the second and any subsequent Offer of Units in that Class will be at the Unit value, which is essentially the net asset value of the Class of Units divided by the number of Units on issue in that Class plus a buy spread (if applicable). Refer to 'Transaction costs' in section 6.3 for information about a buy spread..

Once all Units offered have been subscribed for, the property purchase contract is unconditional and development costs have been determined, Units will be issued and the property or properties purchased. If the Class of Units is established with a fixed term for the purpose of purchasing and developing or managing the particular property or properties, no further Units in that Class will be offered or issued after the issue of Units under the initial Offer.

If the Class of Units has an ongoing term, further offers and issues of Units may be made, in which case the issue price for subsequent issues will be equal to the Unit value of those Units (being the net asset value per Unit of that Class), adjusted for expenses associated with acquiring the properties to which the Offer relates.

4.3 Distributions

We expect that development properties will not generate any income during the development phase. Consequently, the expenses associated with the development will be paid out of the funds raised as part of the Offer and, where applicable, borrowings. Therefore, we do not anticipate income distributions will be paid on those Units during the term of the development (unless there is any general Fund income available for distribution as discussed below).

However, we will also collect income earned which relates to the Fund generally and not to any specific Class and may allocate this income between some or all Classes. Similarly, where expenses relate to the Fund generally, and not to any particular Class (for example, audit costs and legal fees), then such expenses may be paid from general Fund income or allocated between some or all Classes.

Any net income remaining after payment of Class expenses and any share of general Fund expenses will be distributed to investors in the relevant Class after the end of each financial year.

Distributions will be automatically paid by electronic transfer to your nominated account with an Australian financial institution. The transfer of distributions to your account will typically occur within five business days after we determine to pay a distribution.

4.4 Withdrawals

If you invest in a Class of Units with an ongoing term, those Units will continue for the duration of the Fund or such earlier time as investors in that Class resolve, by Extraordinary Resolution, to wind up that Class or we consider it is in the best interests of those investors to do so.

You will be able to apply to have your Units redeemed where we make a withdrawal offer for that Class of Units. However, we are under no obligation to make a withdrawal offer for any particular Class and there is no assurance that withdrawal offers will be made in any particular time frame or with any particular regularity.

Generally, we will only make a withdrawal offer where we believe it is appropriate to distribute capital to investors in that Class, for example as a result of the sale of a property.

Also, there is unlikely to be a secondary market for Units. Therefore, you should consider an investment in a Class of Units within an ongoing term as a long-term investment.

If you invest in a Class of Units with a fixed term, your Units will terminate at expiration of that term. Prior to the termination of your Units, the assets of that Class, specifically the property or properties of that Class, must be realised and net proceeds distributed to investors in that Class. If your Units have a fixed term, you should treat your investment as illiquid as being in place for the full duration of that term. While we can make withdrawal offers for Classes of Units with a fixed term, we do not expect withdrawal offers will be made prior to expiration of their term.

The Constitution enables investors to request the redemption of their Units while the Fund is liquid and subject to compliance with any requirements or conditions we determine. However, we expect, given the nature of the Fund's assets, the Fund will be non-liquid and accordingly investors will only be able to redeem Units if we make a withdrawal offer.

4.5 Transfer of Units

You may transfer your Units to another person but there is no established secondary market (e.g. stock exchange) for the Fund.

However, we will maintain a list of potential buyers and sellers of Units, and investors can be added to, or obtain a copy of, the list by contacting us. If you wish to sell your Units, you will need to contact a potential buyer and agree the terms of any sale, including price, as we will not disclose sale prices or facilitate the sale or purchase of Units. To transfer your Units, you must find a buyer and send us a valid transfer request signed by both parties. You can obtain transfer forms by contacting us.

You should consider your investment as illiquid.

4.6 Term

Classes of Units will either have a defined term or be ongoing with no specified term. Part 2 will disclose whether a particular Class of Units has a defined term or an ongoing term. If the Class has a defined term, Part 2 will also disclose the duration of that term.

Generally, for Classes of Units with a defined term, we expect the term to be in the range of 24 months to 5 years and will reflect what we believe is the period necessary to undertake the development and sell the completed property, in order to maximise returns whilst providing investors in that Class with a clear investment horizon.

Prior to the termination of a Class of Units, the property or properties of that Class must be sold and net proceeds distributed to investors of that Class. The term of the Units is automatically

extended by such period as is necessary for the property or properties of that Class to be realised and net proceeds distributed, meaning Units will not terminate until net proceeds from the sale of the property or properties of that Class have been distributed.

At least two months prior to the end of the term, we will notify investors in that Class of the pending expiration of the term and ask those investors if they wish to extend the term for a specified period or until a future date as we determine. The term will only be extended if investors representing at least 75% of the Units in the Class approve. The procedures discussed above, including the ability to extend the term further, will then apply to any extended term.

For Classes of Units with an ongoing term, the Units will continue for the duration of the Fund unless investors in that Class resolve, by Extraordinary Resolution, to wind up the Class, we determine it is in the best interests of those investors to wind up the Class or the Fund is terminated. To be passed, an Extraordinary Resolution requires at least 50% of the total votes that may be cast by investors in the applicable Class entitled to vote on the resolution (including investors who are not present in person or by proxy) to be cast in favour of the resolution.

If investors in a Class resolve to wind up a Class of Units, the property or properties corresponding to that Class will be realised and net proceeds distributed to those investors.

5 Benefits and risks of investing

5.1 Benefits of investing in the Fund

Investing in the Fund gives you a greater choice than many other property funds as it allows you to select a particular property development or property developments, or type of property development or property developments, which aligns with your investment objectives. There are a number of benefits of investing in the Fund including:

Investment choice

The Fund offers you investment flexibility and choice as you can select which property development, or type of property development, to invest in. Therefore, you may be able to choose from development properties across a number of sectors and select an investment based on your personal investment criteria and circumstances and invest in properties which meet your objectives.

When you invest in a development property, you will benefit from the development profit (if any) generated by the development. The details of each Offer are contained in Part 2 which provides information about the particular investment opportunity and property development or developments, or type of property development or developments, to which the opportunity relates. You can select the property or properties to invest in once you consider the corresponding Part 2.

Income and capital distributions

We expect distributions for those Classes of Units will only be payable upon completion and sale of the applicable property development.

Where any Fund income is not attributable to a specific Class, we will allocate that income to a Class or Classes of Units for distribution to investors in the applicable Class, after payment of expenses associated with that Class of Units and any general Fund expenses which we allocate to that Class, each financial year.

The proposed distribution policy for a Class of Units will be disclosed in the Part 2 for the Offer of those Units. Further information of how income and expenses will be allocated and distributed are contained in section 4.3 of Part 1.

We do not guarantee the return of your capital or that you will get any or particular return on your investment.

Fixed or ongoing investment term

For Classes of Units with a fixed investment term, the term will correspond with the expected term of the development. The term of a Class of Units is disclosed in the Part 2 for the Offer of those Units.

Prior to the expiration of a Class of Units with a fixed term, the property or properties of that Class will be sold and your proportionate interest in any net proceeds distributed to you. If required, the term of a Class of Units will be automatically extended to ensure the property and any other assets of that Class are realised and net proceeds distributed prior to the expiration of that Class of Units.

Classes of Units issued with an ongoing term will continue for the duration of the Fund unless investors in that Class resolve, by Extraordinary Resolution, to wind up that Class, we consider it is in the best interests of those investors to do so or the Fund is wound up. However, you will be able to apply to have your Units redeemed if we make a withdrawal offer for that Class of Units.

Fund assets held by Custodian

The independent Custodian will hold legal title to all Fund assets, in its capacity as agent of the responsible entity of the Fund.

Expertise and experience of the Board

You will benefit from the expertise and experience of our Board. Section 7.2 of Part 1 provides further details of our Board.

5.2 Risks

All investments are subject to risk and there are a number of risks which can impact on the performance of your investment, should they occur. Investments may not perform as expected resulting in a loss of capital or income or a failure to meet your investment objectives.

Before you decide to invest, you should give consideration of the following risk factors, as well as other information contained in this PDS.

Development and construction risk

There is a risk that the construction of a particular development property will take longer or cost more than we budget which will adversely affect the performance of an investment in that Class.

Approval risk

The development of a property will require various council approvals, such as planning approvals, operational works approvals and building approvals. There is no guarantee approvals will be obtained within a timely fashion or on the terms requested or expected. Delays in obtaining the necessary approvals, or changes to a proposed development in order to obtain the necessary approvals, may adversely affect the proposed development and consequently the performance of an investment in the Class relating to that development.

Valuation risk

There is a risk that the valuation we obtain for a property will not accurately reflect the true value of that property at the time the valuation is undertaken. This may result in the Fund purchasing a property for more than its market value or the value of the property upon completion of the development being less than anticipated. Such circumstances may adversely affect the value of your investment in the Class of Units corresponding to that property, and may result in investors suffering a capital loss.

Sale risk

There is a risk that, upon completion of the development, the property will be unable to be sold at the sale price we anticipate, for example, due to changing market conditions and purchaser preferences. If we are unable to achieve the sale price anticipated or a sale price higher than the original purchase price, it will adversely impact the performance of an investment in the Class corresponding to that property.

Decline in property values

The value of a property, and therefore the value of your Units in a Class, may decline during the term of your investment. Factors that may influence the value of the property include:

- (a) an oversupply of similar types of properties may result in a decline in the property's value, both in the short and long-term; and
- (b) timing of the sale of the property – changing circumstances or changing market conditions may result in the sale price being lower than the cost of purchasing and developing the property.

Lack of diversification

You will have a proportional beneficial interest in the property or properties corresponding to the Class of Units which you hold, rather than a beneficial interest in all properties and assets owned by the Fund.

Therefore, the performance of your investment will predominantly depend upon the performance of the particular property or properties in which you have an interest.

If a development property in which you invest costs more to develop or achieve lower sales prices than we forecast, then you may not receive any income or capital returns and may suffer a loss on your investment.

Investment term risk

If you invest in a Class of Units with a defined investment term, upon expiration of that term the property or properties and other assets of that Class will be sold and net proceeds distributed to you and other investors of that Class, unless investors representing at least 75% of Units in that Class resolve to extend the term. We do not anticipate making withdrawal offers for Classes of Units with a defined investment term.

The property market is cyclical and there is a risk that the property market may be in a downturn at the end of the term of your Class of Units resulting in each property corresponding to that Class being sold when market conditions are not conducive to selling. This may result in realising a capital loss on your investment.

If your Class of Units has an ongoing term, then, unless you locate a buyer for your Units, you will only be able to redeem your Units and exit your investment pursuant to a withdrawal offer, if we determine to wind up your Class of Units, if investors in your Class resolve (by Extraordinary Resolution) to wind up your Class of Units, or the Fund is wound up.

There is no guarantee we will make withdrawal offers at any particular time or with any regularity or, if a withdrawal offer is made, you will be able to redeem all or a desired number of your Units. Also, an Extraordinary Resolution is a high threshold to achieve as it requires investors holding at least 50% of Units in a Class (including those who are not present at the investors' meeting, either in person or by proxy) to vote in favour of the resolution.

In summary, your investment will be illiquid and you may not be able to exit your investment when you would like to.

Liquidity risk

An investment in the Fund should be treated as illiquid as there is no secondary market for Units. If you wish to exit your investment prior to, as applicable, the end of the investment term or a

withdrawal offer being made, you will need to find a buyer for your Units. We are unable to source buyers for any investor's Units.

Fund structure risk

Though each property is allocated to a Class of Units, and the Fund structure is intended to enable you to participate only in the benefits, returns and risks of the property corresponding to a Class of Units you hold, as the Fund is a single entity there remains a risk that your investment in a Class of Units may be impacted by other Classes of Units and the properties corresponding to those Classes.

For example, where the Fund incurs general expenses, such as audit costs, which are allocated across various Classes of Units and a Class of Units does not generate sufficient income to cover these expenses, it may impact the distributions able to be paid by the Fund on another Class of Units which has generated net income.

Borrowing risk

Borrowings may be obtained to assist funding the acquisition and development of a property. These borrowings will be obtained by the relevant Ownership Entity rather than the Fund. If we intend to obtain borrowings in connection with any property this will be disclosed in the Part 2. Our policy on the implementation of borrowings is summarised in section 3.5 of Part 1.

Any borrowings will be specific to a Class and secured by limited recourse security over the property and any other assets of the Ownership Entity relating to that Class and not over the property or assets of other Classes. When borrowings are obtained, the financier will have a right to be repaid monies lent and interest owed in priority to the payment of distributions and return of capital to investors.

Borrowing money in connection with the purchase and development of a property may increase the potential for capital gains and losses. Fluctuations in interest rates may result in increased interest costs and a lower return to investors in the Class corresponding to that property.

Additionally, the term of any loan may be shorter than the period for which the property will be held prior to sale, meaning the loan may need to be extended or refinanced to cover the remaining time until the property is sold. There is no guarantee financial accommodation will be able to be obtained on the same or more favourable terms or at all if required. If financial accommodation cannot be obtained or is on unfavourable terms, it may reduce any income or capital returns achieved by investors.

Further, if an Ownership Entity fails to meet its obligations under a loan, we may be prevented from paying distributions on that Class of Units. Also, the lender may enforce its rights as mortgagee and realise the property over which the loan is secured and to which the borrowings relate. An exercise by the lender of its mortgagee rights will adversely affect the performance of an investment in the Class corresponding to that property and may result in investors in that Class suffering a capital loss.

Insurance risk

If a property is not properly insured or an event occurs which is not covered by insurance, it may impact the value of the property or the returns achieved from the development and sale of the property which will adversely affect the performance of an investment in that Class.

Interest rate risk

Changes in official interest rates can directly and indirectly impact (negatively or positively) on investment returns. Generally, an increase in interest rates has a contractionary effect on the state of the economy and thus the valuation of an asset. For example, rising interest rates can have a negative impact on the value of a property, as increased borrowing costs adversely impact both consumer demand and the amount consumers are able to spend on purchasing a property and this affects property values generally.

An Ownership Entity may obtain borrowings to purchase and develop a property and therefore may be negatively affected by increases in interest rates.

Counterparty risk

There is a risk that the counterparty to a transaction or contract, such as the vendor of a property or the purchaser of a developed property, that the Fund or an Ownership Entity has entered into may default on their obligations and that the Fund or Ownership Entity may, as a result, experience an adverse investment outcome or liability.

Further, we have appointed the Development Manager to source and manage each development property. If the Development Manager fails to source appropriate properties or does not adequately manage a development it may adversely impact on the value of an investment in the Fund.

Compliance risk

If we fail to comply with the Constitution, Compliance Plan, Corporations Act or the conditions of our AFSL, it may have an adverse impact on the value of your Units and the performance of your investment in the Fund. In particular, this may occur if ASIC takes action to:

- (a) wind up the Fund; or
- (b) remove us as the responsible entity.

Related party and conflict risk

The Fund may acquire properties from us or our related parties or we may engage related parties to undertake the development of a property.

The presence of related parties and potential conflicts of interest may increase the risk that:

- (a) properties selected do not meet the Fund's objectives or do not have to generate the same development profit or income and capital returns as comparable properties offered for sale by unrelated entities in the same location; or
- (b) the development takes longer, is more expensive or is lower quality than would otherwise be the case if managed by an unrelated party.

Taxation risk

Australian tax laws are constantly in a state of flux with the introduction of various taxation amendments which may affect you.

Tax liability is your responsibility. We are not responsible for the taxation consequences of an investment in the Fund. You should consult your own taxation adviser to ascertain the tax implications of your investment. See section 8 of Part 1 for further information.

Regulatory risk

The value of some investments may be adversely affected by changes in government policies, regulations and laws, including tax laws and laws affecting registered managed investment schemes.

Macro economic risk

The general state of the Australian and international economies as well as changes in monetary policies, interest rates, property market conditions and statutory requirements may affect the demand for, and the market value of, a property and may have a negative impact on the Fund's performance and the performance of the particular property and corresponding Class of Units.

Other risks

It is important to note that not all risks can be foreseen. It is therefore not possible for us to protect the value of the Fund's investment from all risks.

Investors should ensure they obtain appropriate professional advice regarding the suitability of an investment in the Fund having regard to their individual circumstances, including investment objectives, their level of borrowing, their financial situation and individual needs.

We do not guarantee the repayment of capital or the performance of the Fund.

6 Fees and other costs

6.1 Consumer advisory warning

DID YOU KNOW?
<p>Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.</p> <p>For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).</p> <p>You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.</p> <p>You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.</p>
TO FIND OUT MORE
<p>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) has a managed funds fee calculator to help you check out different fee options.</p>

6.2 Fees and other costs

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

Taxes are set out in another part of this document.

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

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Up to 5.5% of the application moneys received from each applicant. ¹	Paid from the application money prior to the issue of Units. Refer to 'Application fee' in the 'Additional explanation of fees and costs' section below for further details.

Type of fee or cost	Amount	How and when paid
<p>Withdrawal fee The fee on each amount you take out of your investment</p>	<p>Up to 5.5% of the redemption price of each Unit redeemed. The withdrawal fee for each Class (if any) will be disclosed in the corresponding Part 2.</p>	<p>Payable out of the redemption amount payable to an investor at the time Units are redeemed. Refer to "Withdrawal fee" in the 'Additional explanation of fees and costs' section below for further details.</p>
<p>Exit fee The fee to close your investment</p>	<p>Nil</p>	<p>Not applicable</p>
<p>Management costs The fees and costs for managing your investment¹</p>	<p>Management fee Up to 5.5% per annum of the Gross Asset Value of each property or other asset of a Class, subject to a minimum amount as specified in the Part 2 corresponding to that Class (with the minimum amount to be increased at the end of each financial year by the greater of 5% and the percentage increase in CPI (All Groups) for the preceding financial year). The management fee for each Class will be disclosed in the corresponding Part 2.</p> <p>Performance fee Up to 22% of the amount by which the increase in the value of a Unit over the six month calculation period exceeds a hurdle rate of at least 5% per annum.. The performance fee percentage and hurdle rate relating to a particular Class will be disclosed in the corresponding Part 2.</p>	<p>Calculated for each Class and payable monthly in arrears from the assets corresponding to that Class. Refer to 'Management fees' in the 'Additional explanation of fees and costs' section below for further details.</p> <p>Calculated and payable (if at all) to us six monthly from the assets of the applicable Class.. Refer to 'Performance fees' in the 'Additional explanation of fees and costs' section below for further details.</p>

Type of fee or cost	Amount	How and when paid
	Fund operating expenses Estimated to be 1% per annum of the Gross Asset Value of each Class. ²	Paid from the assets of the Class to which the expense relates or is allocated or from residual Fund assets, based on actual costs incurred by the Fund, generally as soon as practicable after the expense is incurred. Refer to 'Fund expenses', in the 'Additional explanation of fees and costs' section below for further details.
Service fees		
Switching fee The fee for changing investment options	Nil	Not applicable

¹ You may also incur a buy/sell spread when your money moves in and out of the Fund (Refer to 'Transaction costs' in the 'Additional explanation of fees and costs' section before for further details.

² The amount shown are necessarily estimates only of management costs. Actual amounts will differ from this estimate.

6.3 Additional explanation of fees and costs

Contribution fee

The contribution fee is payable to us for raising funds under an Offer. The Contribution Fee payable for an investment in the Fund is up to 5.5% of the application moneys received from each investor.

The contribution fee for each Class (if any) will be disclosed in the corresponding Part 2.

Withdrawal fee

We are entitled to be paid this fee on redemption by an investor. The withdrawal fee is calculated on the redemption amount payable to an investor at the time Units are redeemed.

The withdrawal fee for each Class (if any) will be disclosed in the corresponding Part 2

Management fee

This is the fee payable to us for managing and operating the Fund and is calculated separately for each Class. The management fee is determined and payable monthly in arrears from the assets corresponding to that Class. The management fee may vary between Classes and the actual management fee for a Class, up to 5.5% of the Gross Asset Value of each property and other assets of the Class, will be disclosed in the Part 2 for the Offer of Units in that Class.

The monthly management fee for a Class will be subject to a minimum amount as specified in the Part 2 for the Offer of Units in that Class and charged per Class, with such amount to be increased at the end of each financial year by the higher of 5% or the increase in the Consumer Price Index (All Groups).

Performance fee

We are entitled to be paid a performance fee of up to 22% of the amount by which the increase in the value of a Unit over the six month calculation period exceeds a hurdle rate of at least 5% per annum and subject to a high water mark limitation. The performance fee may vary between Classes and the Part 2 of the Offer of Units in a Class will disclose if a performance fee is payable and, if so, the performance fee rate (up to 22%) and the hurdle rate (a minimum of 5% per annum).

For example, if the value of the Units increased from \$2 to \$2.20 over six months, then we would be entitled to a performance fee of \$0.033 per Unit for that period. For the purpose of calculating the performance fee, the Unit value includes any distributions made during the relevant period.

$$PF = \text{MAX} [(((A-B) \times C) \times D), 0]$$

Where

PF = Performance fee

A = investment return for the Units for the performance fee period as a percentage

B = the hurdle rate return for the performance fee period as a percentage

C = Unit Value at beginning of performance period

D = is the performance fee percentage, being, in this example, 22%

Calculation:

$$A = (2.20 - 2.00) / 2.00 = 10\%$$

$$B = 2.5\% \text{ (5\% per annum over a six month period)}$$

$$C = 2.00$$

$$D = 22\%$$

$$PF = [(((10\% - 2.5\%) \times 2.00) \times 22\%), 0] = \$0.033,$$

The high water mark limitation deems that if the value of Units falls below a previous six month-end high no performance fee can accrue for that Class until the value of Units exceeds the previous six month-end high.

The performance fee will, if any, be calculated and paid to us six monthly in arrears from the assets of the applicable Class

Fund expenses

We are entitled to be reimbursed for expenses and costs incurred in the proper management of the Fund. These expenses include:

- (a) costs associated with the purchase of a property, such as stamp duty, legal fees, valuation fees and property due diligence expenses;

- (b) costs incurred in undertaking a development including planning and approval fees, council fees, construction costs, and town planner, architect and advisory fees;
- (c) fees and costs of the audit of the Fund and the Compliance Plan;
- (d) costs and expenses incurred in connection with borrowing on behalf of the Fund;
- (e) statutory charges including taxes, government fees and levies;
- (f) valuation or other experts' fees and costs incurred in relation to the Fund's activities, including costs incurred in preparing any legal documents;
- (g) public liability and other general property insurance;
- (h) registry charges, accounting fees, legal fees, printing of annual reports, postage and handling, Compliance Committee costs, expert and consultant fees and the holding of investor meetings;
- (i) all other costs, disbursements and outgoings incurred in connection with the management and administration of the assets and performance of the duties and functions of the responsible entity under the Constitution; and
- (j) all costs and expenses we incur in relation to the establishment of the Fund, the preparation and registration of the Constitution and Compliance Plan, the preparation, due diligence, printing, promotion and distribution of this PDS and any costs incurred in amending or replacing any of the above documents or any other aspect of the Fund.

Where an expense relates to a particular property or other assets in a Class, it will generally be paid from the income generated by the Class property or assets or deducted from the funds raised from the issue of the Class of Units.

Expenses which relate to the Fund generally will be apportioned between some or all Classes as we determine or paid from any residual Fund income which does relate to a particular Class.

The estimated annual expenses relating to each Class will be disclosed in the relevant Part 2. Such costs are generally estimated around 1% per annum of the Gross Asset Value of the Class (excluding costs which would be applicable to a direct owner of an asset, such as construction costs) and may vary according to the nature of the Offer and Class.

Removal fees

Under the Constitution, we are entitled to a fee of up to 5.5% of the Fund's Gross Asset Value if we are removed as the responsible entity of the Fund (other than for gross negligence in the management of the Fund or a material fiduciary breach).

Custodian fees

The Custodian is engaged to provide custody services to the Fund for which it will be paid fees and is entitled to be reimbursed for expenses and liabilities incurred in accordance with the terms of the Custody Agreement. Custody fees and expenses are expenses of the Fund and payable from the Fund assets. The Fund expenses estimate in the table above incorporates fees payable to the Custodian.

Transaction costs

The issue price of Units, for a second and any subsequent issue of Units in a Class, may include a buy spread, which is an amount added to the Unit value to reflect the expenses associated with investing those funds in acquiring assets. Similarly, the redemption price of Units may include a sell spread, which is an amount deducted from the Unit value to reflect the expenses associated with realising assets to fund the withdrawal amount.

The Part 2 for a Class will disclose the buy/sell spread applying to the issue and redemption of Units in that Class (if any). The buy and sell spread is a cost to the incoming or exiting investor and retained by the Fund and is not a fee payable to us.

Commission

Where we, or our related parties, source a property to be purchased by the Fund, the vendor of that property may pay us or our related party a commission. Any commission payable will be paid by the vendor from their own funds and will not be a cost to you or the Fund. The existence of any commission will be disclosed in Part 2 of the PDS relating to the Offer associated with that property.

Changes to fees

We do not expect the Fund expenses estimate (as disclosed in the table in section 6.2 above) to increase within the next 12 months. If the Fund expenses estimate materially increases during this period, we will give you 30 days' notice before those costs are paid.

Fee waivers

We may waive, assign, defer or rebate any or all of our fees or our entitlement to reimbursement for expenses incurred.

Differential fee arrangements

We may negotiate different fee arrangements, such as fee rebates, waivers or reductions, for wholesale clients. Such differential fee arrangements will be by individual negotiation with us.

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.

Incidental fees

We may charge fees where provided for under the Corporations Act. For example, a \$10 fee to provide a copy of the Constitution.

Transaction costs

Transaction costs, such as government taxes, duties, levies, bank charges and account transaction charges, associated with the acquisition of assets from funds subscribed by investors or the disposal of assets are allocated to the relevant Class and paid from the assets of that Class.

Taxes

For taxation information relating to the Fund, see section 8 of Part 1.

Regulatory information

ASIC Class Order 14/1252 applies to this PDS.

6.4 Example of annual fees and costs

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

Example		Balance of \$50,000 with total contributions of \$5,000 during year ¹
Contribution Fees	5.5%	For every additional \$5,000 you put in you will be charged \$275. ¹
PLUS Management costs	6.5%, comprising management fees of 5.5% and Fund expenses of 1%	And , for every \$50,000 you have in the Fund, you will be charged up to \$3,250 each year. ²
EQUALS Cost of fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 ³ during that year, you would be charged fees of up to \$3,525 ⁴ . What it costs you will depend on the fees you negotiate with the fund or financial adviser.⁵

1. It is a requirement of the Corporations Regulations that the above example assumes a balance of \$50,000 and an additional contribution of \$5,000. In practice it will generally not be possible to acquire further Units in a Class once Units have been issued unless we make an additional Offer of Units in that Class.
2. Management fees of up to \$2,750 and operating expenses of \$500. The actual ongoing management fee and estimated expenses for a specific Class will be disclosed in Part 2 of the PDS. Management costs exclude performance fees as we do not have a reasonable basis for estimating any performance fee.
3. This assumes that the \$5,000 investment occurs on the last day of the year.
4. Additional fees may apply including a withdrawal fee of up to 5.5% of the amount withdrawn (being \$2,750 for every \$50,000 you withdraw).
5. The management costs for the Fund are not negotiable for retail clients.

7 Management and Custodian

7.1 Future Asset Management International Limited

Future Asset Management International Limited ACN 158 385 187, an unlisted public company incorporated in Queensland, holds AFSL no. 424626.

Our AFSL authorises us to operate the Fund as a registered managed investment scheme. As responsible entity, we are responsible for day to day operation of the Fund in accordance with our AFSL, the Constitution, Compliance Plan and Corporations Act.

7.2 Directors

Gary Scallan (*Dip.BM, Dip.FP, Dip.Acc CumLaude*)

Director/ Chief Executive Officer **Gold Coast**

Gary is the founder of Future Asset Management International Limited and has over 35 years of international financial services experience. Gary founded, built and on sold National Finance Brokers and International Finance Group, which provided financial advisory and asset management services in South Africa and Europe.

Gary immigrated to Australia in 2001 and has held a number of senior executive and corporate advisory positions including as CEO of a corporate superannuation asset management and advisory group.

Gary focuses on product development and distribution.

Kevin Cranfield (*MBA - Macquarie University*)

Director/ Chief Financial Officer **Sydney**

Kevin is Managing Director of Bentleys NSW and specialises in audit, taxation, accounting and strategic business advice for high-net-worth individuals, family groups and clients in the middle market.

He has acted as a professional advisor to a diverse range of businesses, including those in IT and communications, insurance brokers, car dealerships, manufacturing, property development and agribusiness.

Prof. David Robinson (PhD, MBA, BCom, FAIM, Certified Management Consultant)
Director

Professor, David Robinson, is the Head of Department: Post graduate Programs in the RMIT Asia Graduate Centre at RMIT University. He is also the MBA Director and Coordinator of PHD research. Dave's academic research in the areas of business ethics, organizational development, entrepreneurship and leadership has been widely published, including the Journal of Business ethics, and he has been the recipient of three international research awards.

7.3 Custodian

We have appointed an independent custodian to hold the assets of the Fund.

Australian Executor Trustees Limited (**AET**) is one of Australia's largest and oldest licensed trustee companies. AET has been providing custody and trustee services for over 130 years, having been established in 1880. AET is a member of the IOOF Holdings Limited (**IOOF**) Group, a leading provider of wealth management products and services in Australia. IOOF is an ASX200 listed company.

We have appointed AET under a Custodian Agreement (refer section 9.3 of Part 1). AET's role is to hold the assets in its name and act on our directions to effect cash and investment transactions.

AET has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to an investor for any act done or omission made in accordance with the Custodian Agreement.

AET's role as custodian is limited to holding the assets of the Fund.

8 Taxation

8.1 General information only

Australian tax laws are complex and are subject to constant change. The views in this PDS are based on law and announcements current in Australia as at the date of this PDS. It does not take into account or anticipate any changes in the tax law or future judicial interpretations of the law after this time, nor does it take into account the tax law of countries other than Australia.

The taxation comments in this section are general in nature by necessity and the taxation implications may vary for each investor depending on their particular circumstances. Accordingly, we recommend you seek your own professional advice regarding the taxation implications associated with an investment in the Fund.

In this respect, the taxation comments below are only relevant for Australian resident investors. They are not relevant for investors who may be subject to special tax rules such as banks, insurance companies, managed investment trusts, tax exempt organisations and dealers in securities.

You may be required to pay tax in relation to your investment in the Fund (generally income tax). However, you may be able to claim some tax offsets or have the benefits of some tax concessions.

Some tax information has been provided for you below. However, although every care is taken, it is never possible to rule out the risk that on a subsequent review, taxation liabilities for the Fund could be increased or the benefit of concessions reduced.

8.2 Distributions

The Fund will be characterised as a trading trust and also a public trust. This means that the Fund will be taxed in accordance with Division 6C of the *Income Tax Assessment Act 1936* (Cth) as a company and the flow through treatment normally applicable to trusts will not apply to the Fund. The purpose of Division 6C is to equate the Fund with a company for tax purposes. Effectively, this means that units, unitholders and unit trust distributions are equated to shares, shareholders and dividends paid by a company.

Therefore, if the Fund has taxable income it will have a tax liability at the company tax rate (currently 30%). This liability will need to be funded and paid by the Fund and tax paid by the Fund will generate franking credits. Any unit trust dividend which relates to untaxed amounts in the Fund are taxed to investors in the same manner as an unfranked dividend received from a company.

8.3 Income tax

You may be liable to pay income tax on distributions received from the Fund depending on your total level taxable income and your income tax rate. As the Fund will be taxed as a company, the distributions paid by the Fund, called unit trust dividends, can be franked to the extent of the tax paid by the Fund.

You will include in your assessable income the amount of the unit trust dividend received and any franking credits and will be able to offset the amount of any franking credits against your tax payable. Any unit trust dividend will be taxable to you in the year in which the dividend is paid by the Fund.

The tax impact for you in relation to unit trust dividends from the Fund will depend on:

- (a) your personal tax position;
- (b) your marginal tax rate; and
- (c) the composition of the dividend, i.e. the proportion of income or tax offsets making up the dividend.

We will send you an annual statement, indicating the taxable and non-taxable component of dividends (including any tax offsets) and any franking credits attaching to the dividend for the financial year, to assist in the preparation of your income tax return.

8.4 Capital gains tax

You may incur a capital gains tax liability if you sell or dispose of your Units for more than you paid for them. Capital gains are subject to tax depending on the classification of the investor and the length of time the investor held the investment.

8.5 Transfer duty

Depending on the application of relevant State and Territory laws, transfer duty may be payable upon the transfer of Units. Investors should seek professional advice in relation to the application of transfer duty prior to transferring Units.

8.6 Tax file numbers – Australian residents

You can choose whether to provide your Tax File Number (**TFN**) on your Application Form. If you do not provide your TFN or claim an exemption, we are required to deduct tax at the highest marginal rate, plus the Medicare Levy (currently 46.5%), from your distributions. We are authorised to collect TFNs under Australian tax law.

If you are a business taxpayer you may provide us with an ABN instead of a TFN.

8.7 Goods and services tax (GST)

The issuing and redemption of Units will not be subject to GST.

GST is not payable on a transfer of Units. However, GST may be incurred on services that you acquire in relation to the acquisition, disposal or redemption of Units (such as legal or accounting advice). You should seek advice about whether you are entitled to claim input tax credits in respect of GST on those costs.

GST is not payable on distributions made to you.

8.8 Withholding tax (overseas investors)

We may be required to withhold amounts from distributions paid to overseas investors. Overseas investors should seek independent advice as to the application of withholding tax to their particular circumstances.

9 Material documents

9.1 Constitution

The Fund was established by a Constitution which has been registered with ASIC.

The Constitution is the primary document governing the relationship between us, as responsible entity, and investors. As an investor, you will be bound by the provisions of the Constitution. The Constitution, in conjunction with the Corporations Act, regulates the operation of the Fund and set out the rights and obligations of investors and of our responsibilities and duties as the responsible entity.

The Constitution includes provisions which relate to:

- (a) the responsible entity's powers, duties and obligations;
- (b) the rights and obligations of investors, including that each investor has a beneficial interest in the property and any other assets corresponding to the Class of Units held rather than all Fund assets as a whole;
- (c) the ability of investors to remove the responsible entity;
- (d) the issue of Units and the procedures for the redemption of Units;
- (e) the term of Units;
- (f) the transfer and transmission of Units;
- (g) where a Class of Units has a defined term, the requirements for the property or properties corresponding to that Class to be realised and proceeds distributed upon expiration of the term;
- (h) the valuation of the Fund;
- (i) fees payable to the responsible entity;
- (j) the responsible entity's right to be indemnified by the Fund for expenses, losses and liabilities arising in its capacity as responsible entity providing it has properly performed its duties;
- (k) the winding up of the Fund or a Class of Units;
- (l) meetings of investors;
- (m) complaints and procedures in relation to the Fund; and
- (n) the responsible entity's limitation of liability (subject to the Corporations Act).

We may amend the Constitution without investor consent where we reasonably believe the amendment will not adversely affect investors' rights. Otherwise, the Constitution can only be amended where at least 75% of votes cast by investors (at a meeting convened in accordance with the Constitution and the Corporations Act) vote in favour of the amendment.

Copies of the Constitution are available, free of charge, by contacting us.

9.2 Compliance Plan

We have prepared a Compliance Plan which has been lodged with ASIC. The Compliance Plan is a document that outlines the principles and procedures in relation to the conduct of the Fund that we follow to ensure we comply with the provisions of the Corporations Act, ASIC policies and the Constitution.

The Compliance Plan deals with a wide range of issues including:

- (a) that the assets of the Fund are identified as assets of the Fund;
- (b) the assets of the Fund are valued at appropriate regular intervals; and
- (c) accurate records of the Fund's operations are kept.

Each year, adherence to the Compliance Plan is audited by an external Compliance Plan auditor and the audit report is lodged with ASIC.

9.3 Custody Agreement

We have entered into a Custody Agreement dated 21 August 2012 appointing the Custodian to act as custodian of the Fund. The Custodian is an independent custodian who will hold the assets of the Fund. The Custodian acts on our instructions and the duties of the Custodian pursuant to the agreement include:

- (a) holding assets of the Fund as our agent in our capacity as responsible entity of the Fund;
- (b) acting on the specific instructions given by us or our authorised representatives; and
- (c) ensuring that the Custodian acts, insofar as its duties are concerned, in accordance with the Corporations Act.

Under the Custody Agreement, we, as responsible entity, indemnify the Custodian in relation to its properly performed services as custodian of the Fund.

10 Additional information

10.1 Updated information

Where there is a change to information which is not material to investors, we will make this updated information available on our website at www.futureami.com.au (**Updated Information**). If you require a paper copy of any Updated Information please contact us on 1300 905 380 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. You should ensure that you keep up to date with the latest information on the Fund.

To obtain this information either:

- (a) visit our website at www.futureami.com.au; or
- (b) phone us on 1300 905 380.

10.2 Disclosing entity

The Fund may become a disclosing entity in which case the following arrangements will apply.

As a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. You will have the right to obtain various financial reports lodged with ASIC for the Fund.

We will satisfy our continuous disclosure obligations for the Fund by publishing material information on our website at www.futureami.com.au.

Any material information affecting the Fund will be placed on our website.

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.

10.3 Unit pricing policy

Our unit pricing policy for the Fund is available, free of charge, on request and can be obtained by contacting us by email at info@futureami.com.au or by phone on 1300 905 380.

10.4 Labour standards and social, ethical and environmental considerations

While we do not explicitly take into account these factors and do not have a specific methodology for the extent to which these factors are considered, we may take them into account as one of the components considered in evaluating properties for purchase and in undertaking a development.

10.5 Complaints

If you have a complaint about any aspect of your investment in the Fund, please write to us at:

The Complaints Officer
Future Asset Management International Limited

C/- Bentleys, Level 10
10 Spring Street
SYDNEY NSW 2000 Alternatively, you can phone us on +61 1300 905 380.

We are a member of, and participate in, the Financial Ombudsman Service Limited (**FOS**), an independent complaints resolution organisation. If you feel your complaint has not been satisfactorily resolved you are entitled to make a written complaint to FOS at:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001

Telephone: 1300 780 808
Facsimile: (03) 9613 6399

10.6 Investors' liability

The Constitution seeks to limit the liability of investors to the amount of their investment plus other moneys payable to us or the Fund pursuant to the Constitution (if any). However, because this is a matter which can only ultimately be determined by the courts, no assurance or guarantee is given that investors' liability will be limited in this manner.

10.7 Indemnity for responsible entity

To the extent permitted by the Corporations Act and the law, we, as responsible entity, are indemnified out of the Fund against any claim, action, damage, loss, liability, cost, expense or payment which we incur or are liable for, provided that it does not arise from our or our employees' fraud, negligence or wilful default or the failure to properly perform our duties.

10.8 Privacy

The privacy of your personal information is important to us. The purpose of collecting your information on the Application Form is to process your application and manage your investment in the Fund.

If you use a financial adviser who recommended you invest in the Fund, details of your investment will be provided to your financial adviser.

All personal information collected will be collected, used and stored by us in accordance with our privacy policy, a copy of which is available on request.

From time to time, we may wish to advise you about other services and products which could suit your needs. By making an application, you agree that we may disclose your personal information to other corporations specifically, but not solely, for marketing purposes.

However, if you do not want this information to be used for this purpose, you must exercise your right to instruct us not to disclose any details concerning your personal information. You may do this by ticking the 'non-disclosure' box on the Application Form.

If you tick the 'non-disclosure' box we may still be required to disclose personal information where required by law.

You are entitled to request reasonable access to your personal information. We reserve the right to charge an administration fee for collating the information requested.

For a copy of our privacy policy, please visit our website at www.futureami.com.au.

AET collects your personal information for the primary purpose of providing custodial services to us and for ancillary purposes detailed in the privacy policy. AET may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, us, professional advisers, the land titles office and/or as we otherwise instruct.

We are also permitted to collect and disclose your personal information when required or authorised to do so by law. AET is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with AET's privacy policy.

AET's privacy policy contains information about how you may access or correct your personal information held by AET and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of AET's privacy policy at www.aetlimited.com.au/privacy.

10.9 Electronic PDS

This PDS, comprising Parts 1 and 2, is available in electronic form at www.futureami.com.au. We will send, on request, any person receiving this PDS electronically, a paper copy of the PDS (and attached Application Form) free of charge during the period of the Offer. Applications must be made by completing a paper copy of the Application Form which is attached to Part 2.

Units cannot be issued unless you use the Application Form attached to either a paper or electronic copy of this PDS. The Application Form included in Part 2 contains a declaration that you have personally received the complete and unaltered PDS prior to completing the Application Form. You should read Parts 1 and 2 of this PDS in their entirety before completing the Application Form.

We will not accept a completed Application Form if we have reason to believe that the applicant has not received a complete paper copy or electronic copy of the PDS, comprising Parts 1 and 2, or if we have reason to believe that the Application Form or electronic copy of the PDS has been altered or tampered with in any way.

While we believe that it is extremely unlikely that during the period of the Offer the electronic version of this PDS will be tampered with or altered in any way, we cannot give any absolute assurance that this will not occur. If you are in doubt about the validity or integrity of an electronic copy of the PDS you should immediately request a copy of the PDS directly from us or your adviser.

10.10 Consents

Merrotts Chartered Accountants and Business Advisors (**Merrotts**) has given, and has not withdrawn, its consent to being named in the PDS as auditor for the Fund in the form and context in which it is named and has not withdrawn its consent prior to the issue of this PDS. Merrotts does not make any statement, actual or implied, in this PDS, nor is a statement in this PDS based on a statement made by Merrotts. Merrotts has not authorised or caused the issue of any part of this PDS and take no responsibility for any part of this PDS.

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

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

10.11 Directors' authorisation

Each of the Directors has consented to, and authorised, the issue of this PDS, consisting of Part 1 and Part 2.

11 Glossary

AFSL	an Australian financial services licence issued by ASIC.
Application Form	the application form attached to Part 2.
ASIC	Australian Securities and Investments Commission.
Board	our board of Directors.
Class	refers to, as the context requires, Units, investors, development properties or other assets of a particular class in the Fund.
Compliance Plan	the compliance plan for the Fund.
Constitution	the constitution for the Fund.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Custodian or AET	Australian Executor Trustees Limited ACN 007 869 794.
Custody Agreement	the agreement between us and Custodian referred to in section 9.3 of Part 1.
Directors	the directors of the responsible entity, from time to time.
Fund	Future Property Holdings Fund ARSN 160 488 817.
Gross Asset Value	of an asset, means the value of that asset inclusive of any debt incurred in connection with that asset.
Offer	the offer of Units made in this PDS, specific details of which are contained in Part 2.
Ownership Entity	means a unit trust or company, wholly owned by the Fund and, for unit trusts, of which we are its trustee, established to hold the assets of a Class.
Part 1	Part 1 of this PDS, containing general information about the Fund.
Part 2	Part 2 of this PDS, containing specific details of the Offer, the development property or type of property developments and the Class of Units.
PDS	this product disclosure statement, comprising Part 1 and Part 2.
Unit	a unit in the Fund.
Updated Information	is explained in section 10.1 of Part 1.
us, our and we	Future Asset Management International Limited ACN 158 385 187.
you and your	a person who subscribes for and is issued a Unit.

Corporate Directory

Responsible entity

Financial Asset Management International Limited
ACN 158 385 187
AFSL 424626

Registered office

Future Asset Management International Limited
C/- Bentleys, Level 10
10 Spring Street
SYDNEY NSW 2000

Contact details

Phone: 1300 905 380
Fax: 1300 905 378
Email: info@futureami.com.au
Website: www.futureami.com.au

Custodian

Australian Executor Trustees Limited
Level 22, 307 Kent Street
SYDNEY NSW 2000

Fund auditor

Merrotts Chartered Accountants and Business
Advisors
Level 6
Brisbane Club Tower
241 Adelaide Street
BRISBANE QLD 4000