



Product Disclosure Statement

Part 1

Issued by

Guardian Securities Limited

Responsible Entity

ACN 106 187 731 | AFSL 240506

The Guardian Investment Fund

(ARSN 168 048 057)

Dated 15 September 2015

Corporate Directory

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Development Manager See Part 2 PDS for details	Authorised Representative See Part 2 PDS for details



Important Information

Purpose of Document

This document dated 15 September 2015 is the Part 1 Product Disclosure Statement (Part 1 PDS) for The Guardian Investment Fund ARSN 168 048 057 (Fund). This Part 1 PDS, and any Part 2 PDS with which it is distributed, make up the PDS's for the issue of Interests in the Fund (Interests).

Part 1 PDS provides generic information about the Fund and the various disclosures and regulatory requirements of a managed investment scheme. Part 2 PDS relates to the offer of a specific Class of Interests, and provides information on the rights and obligations attaching, and the assets corresponding to those Interests.

Part 1 PDS and Part 2 PDS must be read in conjunction with the other PDS. Neither Part 1 PDS nor Part 2 PDS will be distributed without the other.

Responsible Entity and Issuer

Guardian Securities Limited ACN 106 187 731 (we, us and our) is the issuer of, and solely responsible for, both PDSs. We are licensed by ASIC (AFSL No. 240506) to act as Responsible Entity of the Fund. ASIC takes no responsibility for any of the contents of this PDS.

Custodian

The custodian of the Fund is Australian Executor Trustees Limited ABN 84 007 869 794 (Custodian). 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.

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. There is no guarantee of the repayment of capital from the Fund or the investment performance of the Fund.

Neither the Responsible Entity, the Custodian, the Development Manager, their directors, nor any person, firm or corporation associated with the Fund or their professional advisers and appointed authorised representatives, guarantees, warrants or underwrites any dividend distributions, taxation deductions, capital invested or the performance of the Fund.

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

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.

Risks

Some of the risks involved with an investment in the Fund are considered in section 8.2 of Part 1 PDS. Additional risks that apply to a Class of Interests are set out in the Part 2 PDS.

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 must read this PDS, and any Part 2 PDS, in full. We also recommend you talk to a financial adviser or other professional adviser before making an investment decision.

Investors should consider the prospects of the Fund in light of their own individual objectives, circumstances or needs.

Anti-money Laundering Legislation

We may require further information from you from time to time to comply with our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth). By applying for Interests in the Fund under this PDS, you undertake to provide us with all additional information and assistance that we may reasonably require.

Privacy Act

Please read the privacy statement in section 11.9 of Part 1 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. Photographs shown in this PDS and Part 2 PDS are not assets of the Fund unless stated otherwise.

Enquiries

If you have questions or require assistance with completing the Application Form or require additional copies of both PDSs, please contact us on 1800 60 11 77 or info@guardiansecurities.com.au.



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1. Introduction

Dear Investor,

On behalf of all the team at Guardian Securities Limited (Guardian, we, us, our) we welcome the opportunity to introduce to you an exciting investment structure, The Guardian Investment Fund ('Fund'). The Fund is designed to engage in property developments, and property investment opportunities throughout Australia as well as taking an interest, via preference or ordinary shares, in companies that may offer capital gain or regular distributions to investors over the medium to long term (the Projects).

Guardian Securities Limited as Responsible Entity of the Fund will seek to ensure that all Projects are professionally managed utilising project managers and registered builders with proven property development experience and appropriate qualifications.

Over the years we have formed an association with a number of experienced developers and property experts including project managers, builders, valuers, quantity surveyors and marketing agents who each possess the required level of experience and qualifications necessary to successfully assess, build and market properties selected by the Fund.

The Fund is registered with ASIC as a managed investment scheme with the ability to create a Special Purpose Vehicle (SPV) for each specific asset type or property investment. You acquire, upon subscription a Class of Interests allocated to a specific SPV, a beneficial interest in the property development or investment undertaken by that SPV.

One of the recent offers available to Investors seeking a dividend return is a Class of Interests called the Development Income Fund. The Development Income Fund will invest via cumulative redeemable preference shares into various projects operated by the SMSF Property Fund. These projects are debt free and generally require short term funding towards the completion of a project. The SPV requiring short term funding will issue preference shares to the Fund at a fixed dividend. Details of the offer are available on request and are set out in more detail in the Part 2 PDS for the Development Income Fund.

Our process is relatively straightforward. We source worthwhile development and/or investment opportunities within Australia which meet our stringent investment criteria of location, viability, feasibility, marketability, quality management and risk assessment.

Upon completing our due diligence on each project or acquisition we look to you and other like-minded investors to become investors in that development or acquisition. Whilst we are the Responsible Entity and thereby the Fund Manager, you are the investor (as the ultimate beneficial owner of each SPV development or company) and you and your fellow investors enjoy all the benefits (and risks) associated with becoming a property developer or investor.

This Part 1 PDS together with the project specific Part 2 PDS contains important information about the offer and the risks associated with the Fund which is outlined in Section 8.2 - Risks of Investing.

Please read the entire Part 1 PDS and Part 2 PDS carefully and in its entirety to gain a better appreciation of the offer and before making a decision to invest in the Fund.

If in doubt, please consult your professional adviser before deciding to invest.

We look forward to assisting you with your investment objectives.

The Board of Directors

Guardian Securities Limited



2.Key Investment Features

The following table summarises the key features of an investment in the Fund and refers to the sections of the PDS where you can find further information. You should fully read both parts of this Part 1 PDS and Part 2 PDS to properly understand your investment in the Fund.

Matter	Summary	Refer Part 1,
Responsible Entity	Guardian Securities Limited ACN 106 187 731, holder of AFSL No. 240506.	10.1
Investment Objective	To provide you with the opportunity to participate in a particular Project. You, the Investors participate in any development profit generated by the Project or income generated from the Project as set out in the Part 2 PDS.	4.1
Investment Offer and Fund Structure	<p>The Offer is for Interests in the Fund.</p> <p>A separate Class of Interests will be allocated to a specific SPV or company which will acquire the Property or acquisition.</p> <p>The Fund (or the Custodian on behalf of the Fund) will be the sole shareholder, Unitholder or interest holder in that SPV or company, and thereby providing investors of the corresponding Class of Interests with a proportional beneficial ownership interest in the Property or acquisition.</p>	6.1, 6.2
Benefits of the Offer	<p>The benefits of investing in the Fund include:</p> <ul style="list-style-type: none"> a. you are able to select the specific Project opportunities in which you will hold a beneficial interest in and share in the rewards and risks of that Project or company; b. you will be able to select whether to invest in a Class of Interests with a fixed or ongoing investment term; and c. you can benefit from the expertise and experience of our Board and the appointed property professionals. 	8.1
Offer Structure	<p>Part 1 PDS</p> <p>Part 1 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.</p> <p>Also more information on fees and expenses which may be payable by you as an investor, summaries of the material terms of key documents and other information relevant for you as an investor in the Fund.</p> <p>Part 2 PDS</p> <p>Part 2 PDS contains information about the particular Offer or Class of Interests including:</p> <ul style="list-style-type: none"> a. specific details of the Project or company and, where applicable, development proposal; b. details of a particular acquisition or company; c. details of the investment strategy of the Class of Interests; d. the rights, obligations and term of the Class of Interests offered; 	6.1



	<p>e. the issue price of the Class of Interests offered;</p> <p>f. the fees and expenses of the Class of Interests and Offer;</p> <p>g. a summary of the terms of any borrowings or other financial accommodation (if any) being obtained to assist the SPV or company with the purchase of the Property and, if applicable, undertaking of the development or acquisition.</p> <p>Part 1 PDS and Part 2 PDS together constitute the entire PDS and you should read both documents in their entirety.</p>	
Investment Term	The term of each investment offer may range from 12 months to 5 years. Details of the offer and investment terms are described in Part 2 PDS.	Part 2
Continuous Disclosure	Updated Information about the Fund and its investments is available via regular Investor updates posted on the website www.guardiansecurities.com.au	4.1, 5
Issue Price	The issue price may vary for each Class of Interests and is described in detail in Part 2 PDS.	Part 2
Minimum Investment	The minimum investment for each Offer will be disclosed in the Part 2 PDS.	Part 2
Minimum Subscription	<p>We will only proceed with an Offer where valid applications have been received for all Interests offered in the relevant Class of Interests under that Offer. The number of Interests available in a Class under a particular Offer will be disclosed in Part 2 PDS.</p> <p>If the Minimum Subscription Amount for Interests in a Class is not reached within four (4) months of the date of the Part 2 PDS, Investors application money will be returned (with Interest at current bank rates) less any bank fees that may apply.</p>	Part 2
Establishment Fee	Nil	9.2
Contribution Fees	We are entitled to receive a Contribution fee for our efforts in raising funds. This fee may be up to a maximum of 5.5% (incl. GST) of application moneys received and is paid from the assets of the Class of Interests at the time the Interests for that Class are issued. Details are contained in Part 2 PDS for that Class of Interests.	9.2, 9.3
Adviser Fees	<p>If you authorise and direct us to do so in your Application Form, we may pay an adviser fee to appropriately qualified financial advisers and agents who introduce investors to the Fund.</p> <p>This fee may be up to a 3.3% (incl. GST) of application moneys and is deducted from your investment prior to issuing Interests in the Fund and paid to the relevant adviser as nominated on your Application Form. This fee is not paid to the Responsible Entity. Details are contained in Part 2 PDS for any Adviser Fees negotiated and available for the particular Project.</p>	9.3
Withdrawal Fees	Nil	9.2
Termination Fees	Nil	9.2



Management Fees	Up to 5.5% per annum (incl. GST) of the Gross Asset Value of the assets for each Class of Interests. This fee is calculated and generally payable monthly in arrears to manage the assets of the Fund. Details are contained in Part 2 PDS for that Class of Interests.	9.2, 9.3
Performance Fee	Up to 20% of the Net Development Profit (if any) for each Asset and is payable when the Net Development Profit is realised for that Asset (if at all). Details are contained in Part 2 PDS of the PDS for that Class of Interests for that Asset.	9.2, 9.3

3.Key Risks

All investments carry 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 (but not be limited to):

- a. **lack of diversification** – you will have a beneficial interest in a Project that may contain a particular Property or acquisition corresponding to the Class of Interests you invest in but will not have an interest in the Fund as a whole. The performance of your investment will be predominantly relying upon the performance of the Property or Company in which you invest.
- b. **construction and development risk** – for Property development, there is no guarantee that a builder engaged to construct or develop a particular Property will complete the development on time or within budget or at all, which may result in increased construction costs.
- c. **leasing risk** – investment Property will primarily generate income returns from lease payments received from tenants. If there are vacancies in a Property, tenants default on their lease payment obligations, or incentive payments or reduced rental rates have to be offered to secure new tenants, it will adversely impact on the income generated for investors in that Class of Interests and the capital value of the Property to the detriment of those investors.
- d. **management risk** – whether investing in a SPV or Project there is a risk that the management of that Company may not be able to meet the objectives of the Company either through negligence or mismanagement. In such cases Investors may not receive any dividends as proposed or may lose part or all of their investment.
- e. **valuation risk** – a Project may decline in value as a result of general property market or economic conditions, and, for a development Property, the value of the Property upon completion of the development may be less than expected;
- f. **distribution risk** – there is no guarantee that distributions will be paid or, if paid, the amount of any distribution.
- g. **liquidity** – there is no secondary market for Interests. Each Class of Interests will be for a fixed term as disclosed in the Part 2 PDS. Investors do not have the right to redeem Interests prior to expiration of the fixed term but may sell their Interests to other parties on agreed terms.
- h. **funding** - The Project may require particular Construction or Development funding subject to a satisfactory level of presales being achieved. In the event such funding is not forthcoming within the loan term, it impact on the timing of the Project and ultimately, the Investor's return.
- i. **market factors** - There may be a delay in selling or refinancing the ultimate properties created from the Project due to market conditions. This may impact on the timing of realising the Project and ultimately, the Investor's investment. These and other risks are detailed in section 8.2 of Part 1 PDS and any risks specific to a Class of Interests or Offer will be detailed in the Part 2 PDS.



4. Investment Objectives

4.1. Investment Objective

The Fund's investment objective is to generate returns for investors through:

- a. the purchase and development of commercial, industrial, retail or residential Property;
- b. the purchase and management of commercial, industrial or retail Property.
- c. to acquire entities that offer investment opportunities by either acquiring shares, units or interests in them providing debt and/or taking a charge over the company assets.
- d. by investing in preference shares issued by selected companies or SPV's that offer a fixed or floating dividend return.

Investors can select the particular Project (Property, Investment, or Company) they wish to hold a beneficial interest in by acquiring Interests in a particular Class of Interests. More details will be outlined in the Part 2 PDS. We will consider investment in a Project which meets the Fund's investment objectives.

Property Investment Details

The Fund will consider opportunities in the commercial, industrial, retail and residential property sectors. 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, in some Projects, borrowings. Investors will share in any profits generated on completion and sale of the development.

Property investment involves raising funds from investors and in some cases in conjunction with external borrowing, to purchase a property with the intention of generating income returns for investors from the rental returns earned from leasing the property.

We will also seek to generate capital growth for investors through the eventual sale of the Property for more than the original purchase price, which we may aim to achieve by reducing vacancy rates, reletting the Property at higher rates, increasing the value of the Property by refurbishment or as a result of a positive property market or economic conditions.

Examples of property developments and investment Property which may be considered include:

Development Property

Sector	Example
Commercial	The development of an office building.
Industrial	The development of a warehouse or manufacturing facility.
Retail	The development of a shopping centre.
Residential	A land subdivision or a multi-lot residential development comprising house and land packages, apartments and villas.

Investment Property

Sector	Example
Commercial	The purchase and leasing of existing commercial premises.
Industrial	The purchase and leasing of a warehouse.
Retail	The purchase and leasing of a neighbourhood shopping centre.



Investments in a Business or non-property related acquisition

The Fund will primarily invest funds raised through the issue of shares or units in a SPV in a diversified portfolio of business acquisitions and business projects with a focus on:

- a. Investment in acquisitions of business in the value range of \$1.5 million to \$10 million;
- b. debt capital to unlock growth potential in established business valued up to \$20 million; and
- c. returns are maximised to investors by identifying optimum capital structure and level of investment to align interests with long-term value creation
- d. by investing in preference shares issued by selected companies or SPV's that offer a fixed or floating dividend return.

By participating in the underlying business of the target SPV or company and earn returns to Investors through improved trading activities.

The Fund may appoint a Management Company to provide a range of services including the sourcing, preliminary vetting of opportunities and providing the required investment overview documentation to the Fund to enable the Board to make suitably informed decisions with regards to each opportunity.

The Part 2 PDS will include details of any agreements between the Fund and the Management Company.

Investments in Preference Shares

Preference shares are issued by companies to raise capital from Investors, generally on a short term basis. Classes of Preference Shares include the following:

- redeemable shares (redeemed by the issuing company at face value of the shares generally at a fixed date in the future);
- convertible shares (converted to ordinary shares in the issuing company at a future date);
- cumulative shares (where dividends payable by the issuing company accumulate until paid: if a payment is missed it is added to the next payment);
- non-cumulative shares (where if a dividend is not paid by the issuing company it is forfeited)
- fixed or floating dividends (floating dividends generally have a benchmark such as the RBA cash rate plus a margin whereas fixed dividends nominate a fixed annual return).

Preference Shares rank:

- equally among themselves;
- ahead of ordinary shareholders with respect to the payment of dividends; and
- ahead of ordinary shareholders on return of capital upon winding up of the company.

Because of these rights, preference shareholders have restricted voting rights in the issuing company which is controlled in its day to day operations by its directors. Preference shareholders are commercially seen as similar to external creditors of the company. However they rank behind secured creditors (such as mortgagees) if the Project fails and the company is wound up.

Redemption of Shares

Preference Shares can be redeemed by the issuing company at the face value of the shares on or prior to the redemption date, which is generally twenty-four (24) months after the date of issue of the Shares.

Details of any investment in Preference Shares by the Fund to a company will be disclosed in the Part 2 PDS for that Class of Interests.



Investor Reporting

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

- a. a regular update on key investor information containing information relating to your Class of Interests;
- b. the performance of the Property, SPV or company corresponding to that Class of Interests;
- c. an annual taxation statement of the Fund; and
- d. an annual periodic statement.

Regular updates and our Continuous Disclosure obligations will be provided for all Interests in the Fund by visiting the website www.guardiansecurities.com.au and clicking on the appropriate link.

The Fund's annual financial statements can, when available, be downloaded from the website at www.guardiansecurities.com.au

5.ASIC Benchmarks and Disclosure Principles

5.1. 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 in general. Each Part 2 PDS will contain the relevant Benchmarks & Disclosure Principles that relate to that particular Class of Interests offered to Investors in that Class.



5.2. Benchmark Disclosure

Benchmark	Compliance (Yes/No)	If not, why not?
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	The Fund meets this benchmark. The Responsible Entity maintains a written gearing policy. However, to-date, the Fund has had no gearing. See section 5.3 for further information.
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	The Fund does not meet this benchmark. The Responsible Entity maintains a written interest cover ratio policy but to date the Fund has no borrowings. Where financial accommodation is obtained in connection with an investment Property, the interest cover ratio (if any) will be calculated for the Class of Interests corresponding to that Investment Property, rather than for the Fund as a whole, and disclosed to investors in that Class of Interests. See Part 2 for further information.
Benchmark 3 Interest Capitalisation The interest expense of the scheme is not capitalised.	No	The Fund does not meet this benchmark. We do not meet this benchmark as the Fund intends to offer investment opportunities in development Property. Where we obtain financial accommodation to assist the purchase and development of a development Property, the interest will be capitalised as it is unlikely the Property will generate income during the development. The interest expense and loan principal will be repaid upon sale of the completed development. 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. If a loan is obtained in



		conjunction with an investment Property, interest will not be capitalised and will be paid throughout the loan term from income generated by the Property.
Benchmark 4: Valuation Policy The Responsible Entity maintains and complies with a written valuation policy that conforms to ASIC's requirements at RG 46.45, or must explain why they do not.	Yes	The Fund meets this benchmark. The Responsible Entity maintains and complies with a written valuation policy that meets the specific requirements of RG46. See Section 7 'Valuation Policy' for more information.
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	The Fund meets this benchmark. The Responsible Entity maintains a related party transaction policy that provides a framework for the review of the terms of all related party transactions. The policy details their circumstances, terms and conditions as to when related party transactions will be appropriate for Guardian and the Fund and the supporting evidence required in relation to such transactions. Generally, the policy requires related party transactions to be in the best interest of investors and on arm's length terms. Related party transactions that are required are to be reviewed and approved by the Guardian's Board of Directors. A copy of our related party policy and procedures is available on request from Guardian. See section for further information.
Benchmark 6: Distribution Practices The Fund will only pay distributions from its cash from operations (ex, borrowings) available for distribution.	Yes	The Fund meets this benchmark. The Fund will only pay distributions from its cash from operations (excluding borrowings) available for distribution. See section 6.3 for further information.

5.3. 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, for a development Property, the development costs. We anticipate this will generally involve an SPV, 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 for that SPV from the relevant lender.

Therefore, the SPV will be the borrower and not the Fund. All financial accommodation obtained will have limited recourse to the Property (and any other assets of the SPV) for which the funding is obtained and have a maximum gearing ratio of 70% 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 of Interests, will be disclosed in Part 2 PDS for the Offer of that Class of Interests. The gearing ratio for a Class of Interests will also be disclosed in the regular reports provided to investors.

5.4. 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 may, via an SPV, obtain financial accommodation to assist financing the purchase and, if applicable, development of a Property and such borrowings will be interest bearing debt. Where interest bearing debt is proposed to be obtained by an SPV, it will be on a limited recourse basis and any targeted interest cover ratio will be disclosed in Part 2 PDS of the PDS relating to the Offer of Interests in the Class corresponding to that Property or Company.

However, for development Property, 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, which will mean an interest cover ratio cannot be calculated. This is because the SPV will rely on proceeds from the sale of the completed development to meet interest payments and the SPV 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.

We will monitor the interest cover ratio (if applicable) for each loan obtained in connection with a Class of Interests, in light of the earnings or income generated by the applicable Property or SPV, with a view to ensuring the interest cover ratio remains above the targeted rate for that Class of Interests.

Where interest bearing debt is obtained in connection with a Property, the interest cover ratio will be calculated for that Class of Interests, rather than for the Fund as a whole, and disclosed to investors in that Class of Interests.



5.5. Disclosure Principle 3 - Fund Borrowings

Financial accommodation may be obtained to assist in purchasing and, for a development property, developing the Property and details of any borrowings will be disclosed in Part 2 PDS relating to the Offer of Interests 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 SPV and therefore a financier will not have recourse against the assets of any other Class of Interests or the Fund.

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 70% of the value of the Property, for a term of 12 months to three years and where the applicable SPV is the borrower.

We may also borrow funds on behalf of the Fund to meet 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 SPV, 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 of Interests and the Fund generally (if any):

Item	Disclosurerequired
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 if 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 SPV 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 SPV of a particular Class of Interests, this information will be determined for that Class of Interests and disclosed to investors in that Class of Interests.

You must appreciate that where the Fund or SPV utilises borrowings, lenders and other creditors are entitled to recover money owing to them prior to you receiving the return of moneys you invest in the Fund or a particular Class of Interests. That is, the fact that amounts owing to lenders and other creditors of the Fund rank before an investor's interests in the Fund. The Constitution permits us to borrow on behalf of the Fund, though the Constitution limits borrowings to 70% of the value of the Fund's gross assets (excluding intangibles).



5.6. Disclosure Principle 4 - Portfolio Diversification

ASIC requires a PDS to disclose the composition of real Property owned by a scheme, including a breakdown of Property across geographic location and sector by number and value, lease expiry profile, occupancy rates, valuation details for significant Property 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 Interests and not in the Fund's Property as a whole. Details of Portfolio Diversification (if any) will be disclosed in Part 2 PDS.

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

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 companies you invest in or do not invest in, rather than having a proportional interest in all Property owned by the Fund, some of which you may not believe are a suitable investment for you.

The regular updates on the key investor information provided to you will include (where appropriate) an update on the progress of the development, including timetable or the performance of an investment Property and details of any recent valuation.

For development Property, those updates will include a description of the status of the development against the key milestones identified in Part 2 PDS or as otherwise disclosed to investors, a summary of the funding arrangements for the development (if any), the total amounts of pre-sale and lease pre-commitments (where applicable), 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.

5.7. Disclosure Principle 5 - Related Party Transactions

Property Acquisitions, Property Development and Management

Properties acquired for the Fund, in which investors will be offered an opportunity to invest, may include Property owned by us or our related parties, though we expect this will be unlikely to occur. Further, property managers, development managers, builders and other service providers engaged to undertake a development, manage a Property or provide administrative services to an SPV may include our related parties.

All Property, 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. In the event that a Property is acquired from us or a party related to us, then the property value must be equal to or less than the market value assessed by the valuer.

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

If a Property is purchased by us from a related party or a related party will be engaged as a property manager, development manager or other service provider in connection with a property or SPV.



Full details of the relationship will be disclosed in the Part 2 PDS of the Class of Interests 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.

5.8. 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 of Interests exceeds the taxable income for a financial year, we may distribute this excess, which will be treated as a capital, and not income, distribution from an investor's taxation perspective.

For a Class of Interests which invests in an investment Property, we anticipate distributions will be paid quarterly, subject to sufficient net income being realised in connection with that Class of Interests.

For Classes of Interests which invest in development Property, it is not expected distributions will be paid to those Classes of Interests during the construction phase of the development as no income will be generated. Any other Fund income allocated to a Class of Interests or other net income of that Class of Interests will be distributed at the end of the financial year to investors in that Class of Interests.

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

We or any parties associated with us do not guarantee the payment, or amount, of any distributions.

5.9. Disclosure Principle 7 - Withdrawal Arrangements

Classes of Interests in the Fund will either have a defined, fixed term or be ongoing with no specified term.

Ongoing

For Classes of Interests with an ongoing term, you will only be able to have your Interests redeemed where we make a withdrawal offer for that Class of Interests. 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 Interests.



Withdrawal offers may be made for one or some Classes of Interests and not others. We will only make a withdrawal offer for a Class of Interests where we are able, and believe it appropriate, to make a capital return to investors in that Class of Interests, for example as a result of the disposal of a Property corresponding to that Class of Interests.

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 of Interests;
- 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.

Fixed term

We may cancel a withdrawal offer before it closes where permitted by the Corporations Act and Constitution. Under the Constitution, we must satisfy the withdrawal requests which we accept within 21 days of the Redemption Date that is stated in the withdrawal offer.

For Classes of Interests with a fixed term, you will have no right to have those Interests redeemed or repurchased. However, for each Class of Interests with a defined investment term, immediately prior to the expiration of that term, any Property and other assets of that Class of Interests will be sold and the net proceeds distributed to you proportionately in conjunction with other investors in that Class of Interests.

Where applicable, the investment term for a Class of Interests will be disclosed in Part 2 PDS relating to the Offer of those Interests.

5.10. Disclosure Principle 8 – Net Tangible Assets

We will disclose the net tangible asset (NTA) value per Unit for each Class of Interests in Part 2 PDS of the Offer of Interests in that Class of Interests as well as an updated NTA value per Unit.

The NTA value per Unit will be calculated on a Class of Interests, rather than the Fund basis as you will have a beneficial interest in the Property or Properties and any other assets corresponding to your Class of Interests 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 of Interests and will enable you to easily identify whether the value of your Interests has increased or decreased since the issue of Interests in that Class. 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.

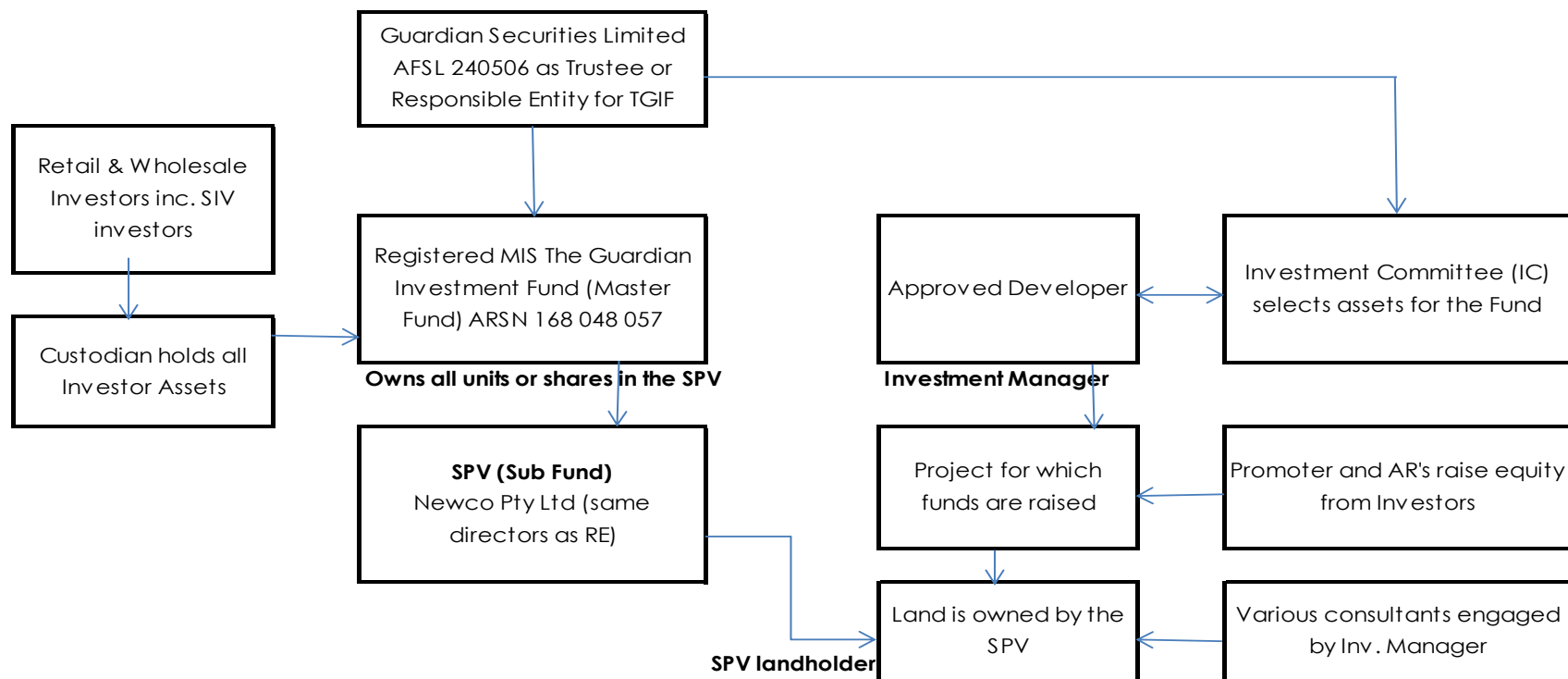
5.11. Updated Key Investor Information (Continuous Disclosure)

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



6. Organisational Structure

MANAGED INVESTMENT SCHEME THE GUARDIAN INVESTMENT FUND - RELATIONSHIP CHART



NOTES:

1. The Guardian Investment Fund (TGIF) is a Registered MIS and acts as the master fund allowing all types of investors to invest in the Master Fund.
2. The SPV (Sub Fund) is set up to undertake a specific Project and investors will receive income and return of capital based on the success of the SPV.
3. An Investment Committee (IC) may be established to select suitable assets for the Fund comprising representatives from Guardian and the Developer.
4. Investors will receive units in the Master Fund on the same terms as the units in the SPV are held on behalf of those investors.
5. The SPV will own the land and enter into agreements with builders/contractors/professionals as approved by the IC to complete the project.
6. Each SPV investment is independent of other SPV's or the Master Fund so that each SPV is a stand alone development.
7. Guardian will act as the Trustee (or RE for retail investors) in the SPV.
8. A Product Disclosure Statement (PDS) or IM Part 1 for TGIF is provided to investors which is generic including all of the legal and ASIC disclosures.
9. A Part 2 PDS or IM for the SPV sets out the project details and other information required by investors to make an informed decision.

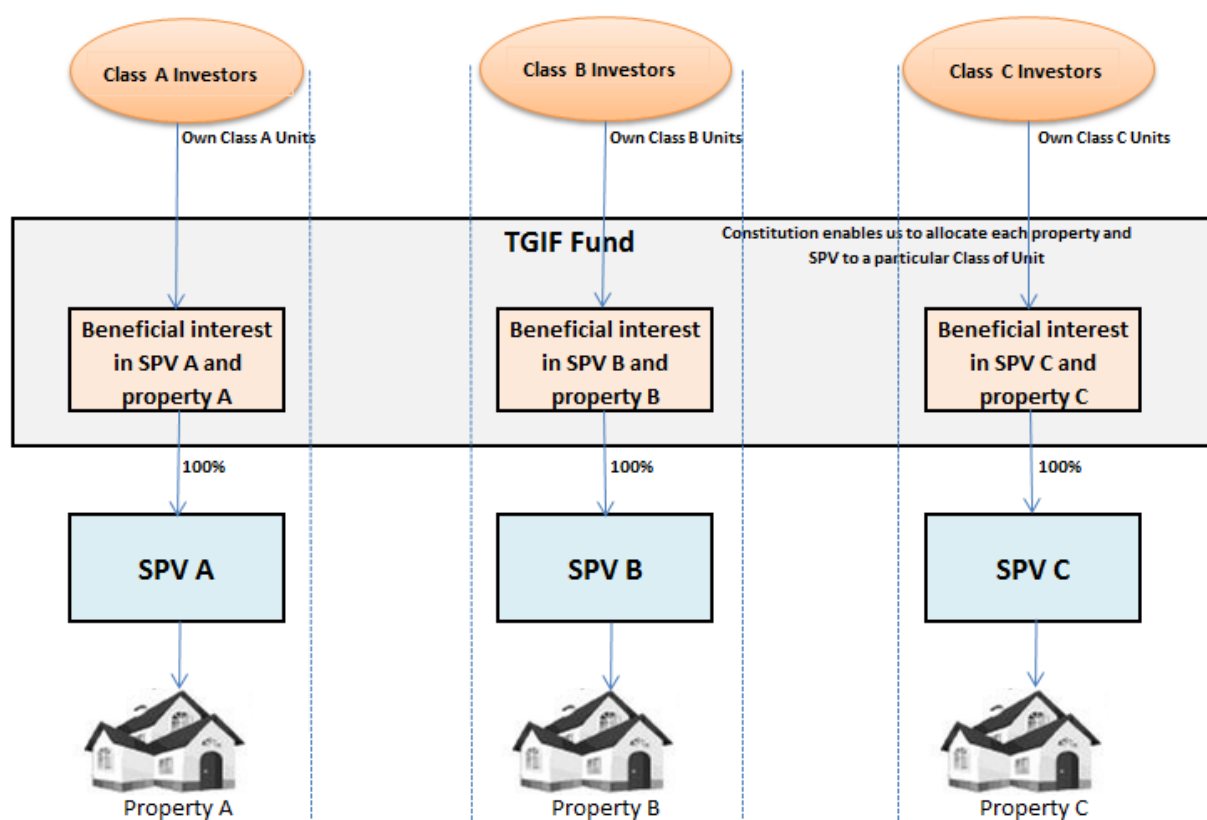


6.1. Fund Structure

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 Property or SPV.

To further minimise the risk of a particular Class of Interests adversely affecting another Class, each Property and any other non-property assets corresponding to a Class of Interests will be held in a separate SPV, being either a unit trust of which the Fund (or the Custodian on behalf of the Fund) is the sole Unitholder and we are the trustee, or a SPV of which the Fund is the sole shareholder and where possible directors of the Responsible Entity are also directors of the company or serve on the management committee of any unit trust. For further details of these risks, you should refer to section 8.2 of this Part 1 PDS.

Each Project will be allocated to a separate Class of Interests and some Classes of Interests may have more than one Property allocated to them. Investors in a Class of Interests will have a proportionate beneficial interest in the Property or Properties corresponding to that Class of Interests. A proportionate beneficial interest of any residual (non-property) assets of the Fund not allocated to any Class of Interests will be applied to investors in all Classes of Interests. Investors will not have a beneficial interest in a Property corresponding to another Class of Interests. The following diagram illustrates the structure of the Fund.



Generally, Classes of Interests will either have:

- a fixed investment term, no withdrawal rights and relate to a particular Project and assets, details of which will be provided in Part 2 PDS relating to that Class of Interests; or
- an ongoing investment term, withdrawal rights and relate to a particular Project with details of the initial Project and underlying assets to be acquired disclosed in Part 2 PDS relating to that Class of Interests with the ability to raise funds under future Offers to purchase additional Property.



For Classes of Interests created with a fixed term, a particular Project and underlying Property or interest that will be acquired, developed (if a development Property) and held for the term of those Interests.

Sufficient funds will be raised under Part 2 PDS for that Offer to fund, in conjunction with any financial accommodation, the acquisition and, where applicable, development of the Property or Properties.

Details of the Project including any development, investment opportunity and Interests to be issued will be disclosed in Part 2 PDS. For Classes of Interests with an ongoing term, the Class of Interests will invest in a Project or in a particular sector, such as industrial, commercial, retail or residential Property. The investment strategy for the particular Class of Interests will be disclosed in Part 2 PDS for that Offer.

Funds raised under the Offer will be applied in accordance with the investment strategy. Details of the initial investments will be contained in Part 2 PDS.

On completion of the initial offer, further Interests in the Class of Interests may be offered from time to time to raise funds to facilitate the acquisition of further Projects in accordance with the investment strategy of that Class of Interests.

The Fund is designed to enable you to participate in the benefits, returns and risks of the Project as well as the underlying Property or Properties corresponding to the Class of Interests in which you invest but not the benefits, returns and risks of other Property, 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.

The Fund is structured to ensure the performance of a Project and underlying Property corresponding to a particular Class of Interests does not affect the returns (if any) achieved by investors holding Interests in another Class of Interests which correspond to a different Property. However, the Fund is a single entity, including for taxation purposes, and there remains a risk this could occur.

6.2. Offer Process

If we have identified a Project which we believe is a suitable investment opportunity and consistent with the Fund's objectives, we will arrange for an SPV to enter into a contract to purchase the asset, Property or an option or another arrangement securing the right to purchase the Property or SPV.

Settlement of the purchase of the Property will, in addition to usual property acquisition conditions (for example, due diligence), be conditional upon the raising of sufficient funds, via an offer of Interests, to complete the purchase of the Property and, for a development Property, meet the budgeted costs of undertaking the development (less the amount of any loan to be obtained to fund the purchase and, where applicable, the development).

We will undertake 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; and
- b. for development Property:
 - I. the development can be constructed by suitably qualified and experienced project developers and builders;
 - II. 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 7 of Part 1 PDS) or is supported by evidence, outlined by Part 2 PDS, which explains any variance between the independent valuation and the purchase price; and
- c. 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; or



- d. for an investment Property:
 - I. a review of any existing leases is undertaken to confirm the leases are enforceable, and whether lease terms and conditions are being complied with;
 - II. the purchase price of the Property is supported by a valuation undertaken by an approved valuer or is supported by evidence, outlined in Part 2 PDS, explaining why we consider the purchase price is appropriate, where it is higher than the independent valuation; and
 - III. for any vacant tenancies or tenancies nearing the expiration of the lease, a market appraisal is obtained from an independent real estate agent of the likely rental rates which can be achieved, lease incentives required to secure tenants and leasing demand for a Property of that type and location.

Details of an investment opportunity will be contained in Part 2 PDS and a separate Part 2 PDS will be issued for each Offer. Part 2 PDS will contain information about the Property (or Properties), including whether the Property will be a development or investment Property, the purchase price, location, and anticipated construction costs (for a development Property) or current leasing profile (for investment Property).

Subject to the requirements of the Corporations Act, a summary of the valuation report for the Property will be included in Part 2 PDS for the Offer corresponding to that Property.

For development Property, we may develop a Property in conjunction with other parties as a joint venture, where the SPV 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 PDS along with other information about the terms and conditions of the joint venture arrangement.

We will allocate each Project to a Class of Interests (and two or more Properties may be allocated to a Class of Interests) and investors who wish to invest in that particular Property will be able to subscribe for the corresponding Class of Interests by completing the Application Form in accordance with the instructions in Part 2 PDS.

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

6.3. Distributions

For development Property, we expect the Property 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, for Classes of Interests which invest in development Property, we do not anticipate income distributions will be paid on those Interests during the term of the development (unless there is any general Fund income available for distribution as discussed below).

For investment Property, any income generated by those Properties will, after payment of expenses associated with the Property and Class of Interests and any general Fund expenses allocated to that Class of Interests, be distributed to investors in that Class of Interests. We intend to distribute income quarterly or with such other frequency as disclosed in the applicable Part 2 PDS, subject to the Fund having sufficient net income for that Class of Interests.

For preference shares in a company or SPV, these will be disclosed in a Part 2 PDS for that Class of Interests and subject to prompt payment of dividends from that company or SPV.

We will also collect income earned which relates to the Fund generally and not to any specific Class of Interests and may allocate this income between some or all Classes of Interests. Similarly, where



expenses relate to the Fund generally, and not to any particular Class of Interests (for example, audit costs legal fees and Custodian costs), then such expenses may be paid from general Fund income or allocated between some or all Classes of Interests.

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

6.4. Redemption of Interests

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

Withdrawal rights will enable you to apply to have your Interests redeemed where we make a withdrawal offer for that Class of Interests. However, we are under no obligation to make a withdrawal offer for any particular Class of Interests 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 of Interests, for example as a result of the sale of a Property.

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

If you invest in a Class of Interests with a fixed term, you cannot redeem your investment nor are we obligated to repurchase your Interests. However, if your Class of Interests has a defined term, your Interests will terminate at expiration of that term.

Prior to the termination of your Interests, the assets of that Class of Interests, specifically the Property or Properties of that Class of Interests, must be realised and net proceeds distributed to investors in that Class of Interests. If your Interests have a fixed term, you should treat your investment as illiquid and being in place for the full duration of that term.

6.5. Transfer of Interests

You may transfer your Interests to another person but there is no established secondary market (e.g. stock exchange) for the Fund or a particular Class of Interests.

However, we will maintain a list of potential buyers and sellers of Interests, and investors can be added to, or obtain a copy of, the list by contacting us. If you wish to sell your Interests, 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 Interests.

To transfer your Interests, 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 in the Fund as illiquid.

6.6. Term

Classes of Interests will either have a defined term or be ongoing with no specified term. Part 2 PDS will disclose whether the particular Class of Interests has a defined or ongoing term and, if a defined term,



the duration of that term.

Generally, we expect the term for Classes of Interests with a defined term to be in the range of twelve months to five years. This timeline is in our opinion required for:

- a. a development Property: to undertake the development and sell the completed Property or,
- b. an investment Property: to be refurbished or re-leased and to sell the Property, in order to maximise returns whilst providing investors in that Class of Interests with a clear investment horizon.
- c. an investment in a SPV: to allow the SPV to maximise their profits from the investment in order to generate sufficient profits for payment of dividends and return of Interests in that Class.

Prior to the termination of a Class of Interests, the Property or Properties of that Class of Interests must be sold and net proceeds distributed to investors of that Class of Interests.

For any property development related Class of Interests, the term of Interests is automatically extended by us for such period as is necessary for the Property or Properties of that Class of Interests to be realised and net proceeds distributed, meaning Interests will not terminate until net proceeds from the sale of the Property or Properties of that Class of Interests have been distributed.

For an investment in a company or SPV, return of a Class of Interests may be achieved from other sources including a trade sale, new issue of shares or from profits.

For Interests in non-property related activities, at least two months prior to the end of the term, we will notify investors in that Class of Interests 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 50% of the Interests in the Class of Interests approve the extension of the term. The procedures discussed above, including the ability to extend the term further, will then apply to any extended term.

For Classes of Interests with an ongoing term, the Interests will continue for the duration of the Fund unless:

- a. we determine it is in the best interests of those investors to wind up the Class of Interests, or
- b. the Fund is terminated, or
- c. investors in that Class of Interests resolve, by Extraordinary Resolution, to wind up the Class of Interests.

To be passed, an Extraordinary Resolution requires the resolution be passed by at least 75% of the total votes that may be cast by investors in the applicable Class of Interests entitled to vote on the resolution (including investors who are not present in person or by proxy).

If investors in a Class of Interests resolve to wind up a Class of Interests, the assets corresponding to that Class of Interests will be realised and net proceeds distributed to those investors according to their contributions.

7.Valuation Policy

7.1. Valuation Policy

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. In some instances the purchase price of the Property may be higher than the valuation.

In these situations we will outline, in Part 2 PDS, why there is a difference and why we support the purchase even though the purchase price is higher than the valuation.

We will also obtain valuations of each Property where required by the Constitution or accounting standards which are generally at acquisition and at least every two (2) years or as required under the Constitution.

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.

7.2. Valuation Requirements

In valuing a Property we generally require the valuer to:

- a. value the Property on an 'as is' basis and, for development Property only, on an '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 Property 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 entering into a contract of sale, 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 1800 60 11 77 or info@guardiansecurities.com.au.

8. Benefits and Risks of Investing

8.1. 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 or Properties 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 to invest in. Therefore, you may be able to choose from development and investment Property across a number of sectors and select an investment based on your personal investment criteria and circumstances and invest in Property which meets your objectives.

If you invest in a development Property, you will benefit from the development profit (if any) generated by the development. If you invest in an investment Property, you will benefit from any income returns and capital growth generated by that Property.

The details of each Offer are contained in Part 2 PDS which provides information about the particular investment opportunity and Property or Properties to which the opportunity relates. You can select the Property or Properties to invest in once you consider the corresponding Part 2 PDS.

Income and Capital Distributions

For Classes of Interests which invest in development Property, we expect distributions for those Classes of Interests will only be payable upon completion and sale of the applicable Property development. For Classes of Interests investing in investment Property, we anticipate income distributions will be paid quarterly on those Classes of Interests, subject to the Property generating sufficient income to enable distributions to be paid for that Class of Interests.

Where any Fund income is not attributable to a specific Class of Interests, we will allocate that income to a Class of Interests or Classes of Interests for distribution to investors, each financial year.

The proposed distribution policy for a Class of Interests will be disclosed in Part 2 PDS for the Offer of those Interests. Further information of how income and expenses will be allocated and distributed is contained in section 5.8, 6.3 of Part 1 PDS.

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

Fixed or Ongoing Investment Term

For Classes of Interests with a fixed investment term, the term will correspond with the expected term of the development (for a development Property) or the intended duration for holding the Property (for an investment Property).

The term of a Class of Interests is disclosed in Part 2 PDS for the Offer of those Interests.

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

Classes of Interests issued with an ongoing term will carry limited withdrawal rights which will give you an opportunity to redeem your Interests if we make a withdrawal offer in accordance with the Corporations Act and Constitution.

Fund Assets held by Custodian

In its capacity as agent of the Responsible Entity of the Fund, the independent Custodian will hold all of the ordinary shares or units in the SPV on behalf of Investors in that Class of Interests. The SPV will hold legal title to the Property for that Class of Interests and Investors will have a beneficial interest in the Property or SPV for that Class of Interests in which they invest.

Expertise and Experience of the Board

You will benefit from the expertise and experience of our Board. Section 10.1 of Part 1 PDS provides further details of our Board.



8.2. 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 the information contained in this Part 1 PDS.

Risks Specific to investing in Development Property Construction risks

There is a risk that the construction of a particular development Property will take longer or cost more than we budget, which could 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 of Interests relating to that development.

Risks Specific to Investing in Investment Property Leasing risk

The ability to generate income returns or capital growth for investors in an investment Property will primarily be dependent upon the extent to which the Property is leased, the rents which are achieved and other terms of the lease.

If a Property is partially or wholly vacant, tenants default or if reduced rental rates or higher than anticipated lease incentives are required to attract tenants, it will adversely impact the returns achieved from, and the value of, the investment Property and the performance of an investor's investment in that Class of Interests.

Risks of Investing in the Fund Generally

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, for a development Property, 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 Interests 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 or at the time it is intended to sell the investment Property, the Property will be unable to be sold at the sale price we anticipate.

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 of Interests corresponding to that Property.

Decline in Property Values

The value of a Property, and therefore the value of your Interests 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 Property 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, for development Property, developing the Property.

Lack of Diversification

You will have a proportional beneficial interest in the Property or Properties corresponding to the Class of Interests which you hold, rather than a beneficial interest in all Property 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 you invest in a Property project which costs more to develop or achieve lower sales prices than we forecast, or you invest in an investment Property which fails to achieve the rental returns we anticipate, 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 Interests with a defined investment term, upon expiration of that term the Property or Properties and other assets of that Class of Interests will be sold and net proceeds distributed to you and other investors of that Class of Interests, unless investors representing at least 50% of Interests in that Class of Interests resolve to extend the 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 Interests resulting in each Property corresponding to that Class of Interests 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 Interests has an ongoing term, you will only be able to redeem your Interests if:

- a. you locate a buyer for your Interests and exit your investment pursuant to a withdrawal offer,
- b. we determine to wind up your Class of Interests,
- c. investors in your Class of Interests resolve (by Extraordinary Resolution) to wind up your Class of Interests, or
- d. 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 Interests.

Also, an Extraordinary Resolution requires that the resolution be passed by at least 50% of the total votes that may be cast by members entitled to vote on the resolution (including those who are not present at the investors' meeting, either in person or by proxy).

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 Interests. If you wish to exit your investment prior to the end of the investment term, you will need to find a buyer for your Interests. We are not obligated to source buyers for any investor's Interests, however we will use our best endeavours to help investors to source purchasers for their Interests.

Fund Structure Risk

Each Property is allocated to a Class of Interests, 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 Interests you hold. However, the Fund is a single entity and as such there remains a risk that your investment in a Class of Interests may be impacted by other Classes of Interests and their corresponding Property.

For example, where the Fund incurs general expenses, such as audit costs, which are allocated across



various Classes of Interests and a Class of Interests 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 Interests which has generated net income.

Borrowing Risk

Borrowings may be obtained to assist funding the acquisition and, where applicable, development of a Property. These borrowings will be obtained by the relevant SPV rather than the Fund. If we intend to obtain borrowings in connection with any Property this will be disclosed in Part 2 PDS. Our policy on the implementation of borrowings is summarised in section 5.5 of Part 1 PDS.

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

Borrowing money in connection with the purchase and, if applicable, 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 of Interests 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 SPV fails to meet its obligations under a loan, we may be prevented from paying distributions on that Class of Interests. Also, the lender may enforce its rights as mortgagee and sell the secured Property 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 of Interests corresponding to that Property and may result in investors in that Class of Interests 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 leasing or sale of the Property which will adversely affect the performance of an investment in that Class.

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 Interests 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 Property from us or our related parties or we may engage related parties to undertake the development of a Property or manage an investment Property.

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

- a. Property selected do not meet the Fund's objectives or do not generate the same development profit or income and capital returns as comparable Property offered for sale by unrelated entities in the same location;



- b. for development Property, the development takes longer, is more expensive or is lower quality than would otherwise be the case if managed by an unrelated party; or
- c. for investment Property, the level of vacancies may be higher and the lease terms negotiated less favourable than would be achieved if the Property was 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 or in a particular Class of Interests. You should consult your own taxation adviser to ascertain the tax implications of your investment.

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 Interests.

Risks of investing in a SPV

The Fund has not yet entered into any agreements to undertake any investment of any underlying business projects. In particular, the performance of the SPV is to a large extent reliant on the ability of the management of that SPV to source and manage suitable investments and on the management of the SPV and its board of directors to ensure the appropriate due diligence is completed prior to the SPV making an investment.

Failure by the management company and its board of directors to perform these tasks adequately may in turn have a negative effect on the performance of the SPV and potentially result in a loss of capital.

Full details of this risk will be set out in the Part 2 PDS together with the required ASIC Benchmarks & Disclosures applicable to that Class of Interests.

Market conditions

In common with trade risks generally, changes in supply or demand for a particular business may result in a reduction in the underlying business values which will have a negative effect on the SPV's performance by reducing either the value of an equity investment (including the ability to sell) or the ability to have the Investors interests repaid.



9. Fees and Other Costs

9.1. Consumer Advisory Warning

The Corporations Regulations 2001 requires us to include the following standard consumer advisory warning. This warning is required to be inserted into all product disclosure statements and is not specific to this PDS.

DID YOU KNOW?

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

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period, (for example, reduce it from \$100,000 to \$80,000).

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

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

TO FIND OUT MORE

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

9.2. 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.

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

Fees when your Money moves in and out of the Fund

Type of Fee or Cost	Amount (incl. GST)	How and when paid
Establishment Fee	Nil	Not applicable
The fee to open your investment		
Contribution Fee		
The fee on each amount contributed to your investment	<p>The Contribution Fee may be up to a maximum of 5.5% (incl. GST) of application moneys received and is paid from the assets of the Class of Interests at the time the Interests for that Class are issued.</p> <p>Details are contained in Part 2 PDS for that Class of Interests.</p>	<p>This fee is payable upon receipt of successful Applications Moneys at the time the Interests for that Class of Interests are issued.</p> <p>Paid from the assets corresponding to the particular Class of Interests upon the issue of those Interests.</p> <p>Refer to 'Contribution fee' in the 'Additional explanation of fees and costs' section below for more details.</p>



Withdrawal Fee The fee on each amount you take out of your investment	Nil	Not applicable
Termination Fee The fee to close your investment	Nil	Not applicable

Management Costs – The Fees and Costs for Managing your Investment¹

Type of Fee or Cost	Amount (incl. GST) ²	How and when paid
Management Fee	Up to 5.5% incl. GST per annum of the Gross Asset Value of each Property or other assets of a Class of Interests. The management fee for each Class of Interests will be disclosed in the corresponding Part 2 PDS.	Calculated for each Class of Interests and payable monthly in arrears from the assets corresponding to that Class of Interests. Refer to 'Management Fee' in the 'Additional Explanation of Fees and Costs' section below for further details.
Fund Operating Expenses	Estimated to be up to 11.0% incl. GST per annum of the Fund's Gross Asset Value. More details will be provided in the Part 2 PDS. This fee includes acquisition costs of a Property in a Class of Interests including stamp duty and other costs.	Paid from Fund assets or the assets of the Class of Interests to which the expense is allocated, based on actual costs incurred by the Fund, generally as soon as practicable after the expense is incurred. Refer to 'Fund Operating Expenses', in the 'Additional Explanation of Fees and Costs' section below.
Investment Switching Fee The fee for changing investment options.	Nil	Not applicable

¹ The amount shown is necessarily estimates only of management costs. Actual amounts will differ from this estimate.

² All fees set out in this section are inclusive of the net effect of GST and includes GST net of input tax credits any available reduced input tax credits. The Fund may not be entitled to claim reduced input tax credits in all instances.

³ The Contribution and management fees shown above are the maximum that may be charged by us in the operation of the Fund.

9.3. Additional Explanation of Fees and Costs

Contribution fee

This fee is payable to us for our efforts in raising funds from investors and is calculated and payable on each Class of Unit offered and issued. The actual Contribution fee for the initial Offer of Interests in a Class, up to a maximum of 5.5% of the Issue Price is disclosed in the Part 2 PDS relating to that Offer.



For example, if the Contribution fee for a Class of Interests is 5.5% (incl. GST) of the Issue Price and the Issue Price is \$50,000 per Unit, a Contribution fee of \$2,750 per Unit will be payable to us when Interests for that Class are issued.

The Issue Price is the issue price of the Interest less the Contribution fee payable to us.

For the second and any subsequent Offer of Interests in a Class (if applicable), the actual Contribution fee for the Offer, up to a maximum of 5.5% (incl. GST) of the application money is disclosed in Part 2 PDS relating to that Offer.

We will deduct from the Contribution fee all expenses incurred in connection with the promotion of the Fund, the offer of the applicable Class of Interests and the raising of funds from investors.

Adviser Fee

Subject to the requirements of the Corporations Act, if you authorise and direct us to, we may pay an adviser fee out of your application money to appropriately qualified financial advisers and agents who introduce investors to the Fund and whose details appear on the Application Form.

The amount of this fee (if any) is a negotiable fee up to a maximum of 3.3% (incl. GST) of the application money for the initial Offer of Interests in a Class of Interests. This fee is negotiated by you with your nominated agent or financial adviser and you authorise us to pay that amount to your agent or financial adviser out of your application money upon the issue of Interests for that Class. This fee is not paid by the Responsible Entity.

For example, where the Issue Price is \$50,000 per Unit the maximum adviser fee that you could pay to your nominated agent or financial adviser (if any) for each Unit acquired would be \$1,650 incl. GST.

This Adviser remuneration may be deducted from your application money and in this case, we would issue you with a Unit Certificate for \$48,350 (\$50,000-\$1,650) for Interests in the Fund.

Part 2 PDS for each Class of Interests will disclose further information about payments to financial advisers.

Management Fee

This is the fee payable to us for managing and operating the Fund and is calculated separately for each Class of Interests. The management fee is determined and payable monthly in arrears from the assets corresponding to that Class of Interests.

The management fee may vary between Classes of Interests. The actual management fee for a Class, up to a maximum of 5.5% incl. GST of the Gross Asset Value will be disclosed in Part 2 PDS for the Offer of Interests in that Class.

Acquisition and Due Diligence Fee

The Development Manager may be entitled to an acquisition and due diligence fee agreed to between the Responsible Entity and the Development Manager. This fee is negotiable and is generally the higher of the purchase price or market value of any Property acquired for the Fund. This fee is payable upon settlement of the purchase of the Property from the assets of the Class of Interests corresponding to that Property.

This fee may be payable to the Development Manager (or any other non-related party) by us for sourcing the Property and undertaking the necessary due diligence on the Property to assess its suitability for acquisition by the Fund.

The Acquisition and Due Diligence Fee for a Class of Interests will be disclosed in Part 2 PDS for the Offer of Interests for that Class.



Development Managers Fee

This fee is payable to the Development Manager to undertake the initial project management of a Property and for ongoing development management during construction of that Property. The Development Manager may receive development management fees generally based on Total Development Costs, payable by us upon receipt of approved invoices as described above and detailed in section 10.9.

The Development Management Fee for a Class of Interests will be disclosed in Part 2 PDS for the Offer of Interests for that Class.

Fund Operating Expenses

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

- a. the fees payable to Service Providers under the service agreement; costs associated with the purchase of a Property, such as stamp duty, legal fees;
- b. distribution fees payable to introducers or external parties (who are not financial advisers) who source Investors for the Fund up to a maximum of 1.0% plus GST of the issue price of those Interests issued to that Investor and payable on the issue of Interests;
- c. valuation fees and Property due diligence expenses; costs incurred in undertaking a development including planning and approval fees, council fees, construction costs, and town planner, architect and advisory fees; costs incurred in managing a Property, including leasing agent fees; 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 SPV; statutory charges including taxes, government fees and levies;
- e. valuation or other experts' fees and costs incurred in relation to the Fund's activities, including costs incurred in preparing any legal documents;
- f. public liability and other general property insurance;
- g. 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;
- h. 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
- i. 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 any 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 of Interests, it will generally be paid from the income generated by the Property or assets or deducted from the funds raised from the issue of the Class of Interests.

Expenses which relate to the Fund generally such as custodian fees and audit costs will be apportioned between some or all Classes of Interests as we determine or paid from any residual Fund income which does not relate to a particular Class of Interests.

Removal Fees

Under the Constitution, we are entitled to a fee of up to 2.5% of the Gross Asset Value of the Fund 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).



For example, if the Fund's gross asset value was \$5 million; we would be entitled to receive a removal fee of up to \$125,000 if removed as Responsible Entity. The management fee estimate in the table in section above does not include any removal fee.

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 in the table above incorporate fees payable to the Custodian.

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 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 9.2 above) to increase within the next 12 months. If the Fund estimate expenses materially increases during this period, we will give you 30 days' notice before those costs are paid. We may also charge incidental fees where provided for under the Corporations Act.

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 expected reduced input tax credits; and
- b. stamp duty.

Transaction Costs

Transaction costs, such as government taxes, duties, levies, bank charges and account charges, associated with the acquisition of assets from funds subscribed by investors are paid from the Fund.

Taxes

As the Fund has the ability to invest in a wide range of investments, particular taxation treatment of a Class of Interests does not apply to the Fund. Any taxation issues that relate to a Class of Interests will be more fully disclosed in the Part 2 PDS.

However Investors are advised to seek their own taxation advice before deciding to invest in the Fund or a particular Class of Interests.

9.4. Example of Annual Fees and Costs

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



Example	Balance of \$50,000 with total contributions of \$5,000 during the year	
Contribution Fees	5.5%	For every additional \$5,000 you put in you will be charged up to \$275. (1)
PLUS Management costs	5.5%	And, for every \$50,000 you have in the Fund, you will be charged up to \$2,750 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 during that year, you would be charged fees of up to \$3,025.00. What it costs you will depend on the fees you negotiate with the fund or financial adviser

- 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 Interests in a Class of Interests once Interests have been issued unless we make an additional Offer of Interests in that Class.
- 2 The actual management fee for a specific Class, up to a maximum of 5.5% of the Gross Asset Value of a Class of Interests, will be disclosed in Part 2 PDS. The management costs exclude any contribution fee which will be payable to us on the issue of Interests, as the example assumes an existing investment balance of \$50,000.

10. Governance and Management of the Fund

10.1. Responsible Entity - Guardian Securities Limited

Guardian Securities Limited is the Responsible Entity of the Fund and issuer of this Part 1 PDS & Part 2 PDS. As Responsible Entity, Guardian is responsible for the day-to-day operation of the Fund in accordance with the Company's AFSL, the Constitution, Compliance Plan and Corporations Act.

The Directors and senior management of the Responsible Entity have considerable experience in evaluation of development project feasibility, funds management, mortgage lending, finance, banking, property development and accounting.

Duties of the Responsible Entity

As a Responsible Entity, Guardian Securities Limited is subject to a number of duties under the Corporations Act and the Constitution.

For example, in exercising its powers and carrying out its duties, the Responsible Entity must:

- a. act honestly;
- b. exercise the degree of care and diligence that a reasonable person would exercise if they were in the Responsible Entity's position;
- c. act in the best interests of the Investors and, if there is a conflict between the Investors' interests and the Responsible Entity's own interests, give priority to the Investors' interests;
- d. treat Investors of the same class equally and Investors of different classes fairly;
- e. ensure that the Fund's assets are:
 - I. clearly identified as Fund assets; and
 - II. held separately from Property of the Responsible Entity and the Property of any other managed investments scheme.

All Fund assets will be held beneficially by the Custodian on behalf of Investors in a particular Class of Interests. The custodian on behalf of the Fund must;



- a. receive all Fund monies and deposit these into a designated bank account held by the Custodian;
- b. act on written instructions from the Responsible Entity as set out in the Custody Agreement; and
- c. arrange annual audit of the Fund's financial accounts within ninety (90) days of financial year end.

Indemnity of the Responsible Entity

Subject to the Corporations Act, the Responsible Entity is entitled to be indemnified out of the Fund's assets for all debts, liabilities, damages, costs, taxes, charges, expenses and outgoings incurred by it in the proper performance of its functions and duties and exercising its powers under the Constitution or at law. However, this indemnity does not apply to debts, liabilities, damages, costs, taxes, charges, expenses or outgoings incurred or payable in respect of or as a result of the negligence, fraud, or breach of trust of or by the Responsible Entity.

Directors of the Responsible Entity

The Board of Guardian Securities Limited currently comprises a total of three Directors, Guy Hasenkam, Christopher Wilson and Gerry Ward. The Board sets the strategic direction of the Fund and has ultimate responsibility for the performance of the Fund. The Board seeks to create Investor value and ensure that Investors' investments in the Fund are prudently managed.

Guy Hasenkam – Managing Director

Guy has had many years' experience in banking, property syndication, equity raising, property development, funding, and company directorships. Guy was State Manager Property for Advance Bank (now St George) with a loan portfolio in excess of \$400M and 13 staff. He has had many years' experience in funding large scale property projects in south east Queensland.

Guy is a Fellow of both the Australian Institute of Company Directors and the Financial Services Institute of Australasia and an Affiliate of the Financial Planning Association of Australia. He is also a member of the Urban Development Institute of Australia and is a licenced real estate salesperson.

Christopher Wilson - Director

Christopher has a bachelor of business (accounting & computing). He is an experienced financial management professional with in excess of twenty-five years' managerial and commercial experience in a wide range of disciplines. During his career Christopher has developed and implemented a number of managed investment schemes.

Christopher has been a director on multiple companies and has held position as general manager, compliance officer, finance director and financial controller, responsible manager for both AFS Licences and Credit Licences.

Gerry Ward - Director

Gerry has a diverse property background including appointment as commercial manager Westpac with a loan book of approx. \$200M and eight staff. He has many years' experience in funding a wide range of property projects to major developers as well as completing his own projects.

Recently he was the owner and franchisee of Ray White Robina with annual sales over \$80M and a rent roll of over 200 properties. Gerry is experienced in most types of real estate and is conversant with lending policy, compliance, financial analysis and management.

For more information about us please visit our website www.guardiansecurities.com.au.



10.2. **Compliance Committee and Compliance Plan**

In accordance with the Corporations Act, we have appointed a Compliance Committee, with a majority of committee members being independent of the Responsible Entity.

The Compliance Committee's role is to monitor compliance by us with the Fund's Compliance Plan, the Constitution and the Corporations Act.

We have adopted the Compliance Plan, which has been lodged with ASIC. The Compliance Plan is the document that outlines the principles and procedures that we will follow to ensure it complies in all respects with our Australian Financial Services Licence (AFSL 240506), the provisions of the Corporations Act and the Constitution.

The Compliance Plan deals with a wide range of issues including, but not limited to, the following:

- a. The establishment of the Compliance Committee;
- b. The appointment of auditors for the Fund and the Compliance Plan;
- c. Having a documented dispute resolution process in place, including being a member of an external dispute resolution service approved by ASIC; and
- d. The Responsible Entity is required to maintain adequate records and systems including in relation to the acceptance of applications, income distribution, accounting, record keeping, monitoring external service providers and risk management.

The Compliance Plan is available for inspection at the offices of Guardian Securities. Alternatively, a copy of the Compliance Plan can be made available to you, free of charge, upon request.

10.3. **Custodian**

Although we manage all assets of the Fund, Guardian has appointed an independent custodian to hold the assets of the Fund. The Custodian will hold all shares or units in the SPV on behalf of investors in that Class of Interests and acts on our instructions.

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.

Guardian has appointed Australian Executor Trustees Limited under a Custodian Agreement. The Custodian's role is to hold the assets in its name and act on the direction of Guardian to effect cash and investment transactions.

Australian Executor Trustees Limited has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to a unit holder for any act done or omission made in accordance with the Custodian Agreement.

Australian Executor Trustee Limited's role as Custodian is limited to holding the assets of the Fund. The Custodian has no interest in the Fund, other than the remuneration it is entitled to receive under the Custody Agreement (refer section 10.8 of Part 1 PDS).

10.4. **Financial Statement and Compliance Audits**

PKF Gold Coast have been appointed as Auditors of Guardian Securities Limited and as at the date of this PDS, PKF are the auditors of the Fund and the Compliance Plan. PKF are required to audit the annual financial report of the Responsible Entity, the Fund and the Compliance Plan;

- a. on an annual basis; and
- b. on winding-up of the Fund



These financial accounts are lodged with ASIC within ninety (90) days of fiscal year end.

10.5. **Complaints – Financial Ombudsman Service**

Guardian Securities Limited is a member of the Financial Ombudsman Service.

Investor complaints about the performance of Guardian must be dealt with in a proper and efficient manner by the Responsible Entity. The Constitution details how complaints can be made and how Guardian must deal with them.

The Responsible Entity is required to have a complaints handling officer. The Australian Standard - Complaints Handling AS ISO 10002-2006 and Regulatory Guide 165 provides the format as to how complaints may be made by an Investor and how complaints must be dealt with by the Responsible Entity.

Complaints may be made to the Complaints Manager at the address shown in the Corporate Directory in this PDS.

The Responsible Entity will acknowledge receipt of the complaint immediately and provide a final response to the complainant within forty-five (45) days of receipt of the complaint.

Failing that or if dissatisfied with the response provided by the Responsible Entity, Investors may address their complaint to the ASIC approved external dispute resolution service at:

Financial Ombudsman Service

GPO Box 3,
MELBOURNE VIC 3001
Telephone: 1300 780 808
Facsimile: (03) 9613 6399
Email: info@fos.org.au.

Material Contracts

10.6. **Constitution**

The Fund was established by Constitution dated 28 February 2014 which has been registered with ASIC and as amended from time to time.

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 sets out the rights and obligations of investors and 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 other assets corresponding to the Class of Interests held rather than all Fund assets as a whole;
- c. the ability of investors to remove the Responsible Entity;
- d. the issue of Interests and the prohibition on the redemption or repurchase of Interests or, for Interests which carry withdrawal rights, the procedures for the redemption of Interests;
- e. the term of Interests;
- f. the transfer and transmission of Interests;
- g. where a Class of Interests has a fixed term, the requirements for the Property or Properties corresponding to that Class of Interests 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 Interests;
- 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 a resolution to amend the Constitution is passed by at least 75% of votes cast by investors (at a meeting convened in accordance with the Constitution and the Corporations Act) entitled to vote on the resolution.

A copy of the Constitution may be obtained by searching ASIC records or by contacting us by phone on 1800 60 11 77 or email at info@guardiansecurities.com.au.

10.7. **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 role of the Responsible Entity in assessing unit pricing and monitoring of Fund assets;
- c. the assets of the Fund are valued at appropriate regular intervals; and
- d. 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.

10.8. **Custody Agreement**

We have entered into a Custody Agreement appointing Australian Executor Trustees Limited as custodian 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 (either directly or beneficially) 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.



10.9. Service Providers

Development Manager – To be advised in the Part 2 PDS

Various parties who have the necessary experience and qualifications will be appointed as development managers for the Fund.

Their role will be to provide some or all of the following services to the Responsible Entity:

- a. identify sites suitable for acquisition by the Fund;
- b. attend to all necessary approvals and consents on the Property or Properties to be acquired by the Fund or a particular Class of Interests;
- c. undertake the necessary due diligence on the Property or Properties including review and (if required) lodgement of Development Approvals (DA) and Building Approvals (BA) on the Property with the local authority;
- d. provide a development cash flow and feasibility for prior approval by Guardian;
- e. enter into conditional contracts of sale to acquire Property for the Fund subject to certain conditions including raising sufficient funds to complete the acquisition;
- f. ensure that sufficient funds are retained in a Class of Interests to allow for all acquisition and construction costs of the Property including a contingency for variations or cost overruns;
- g. attend to all necessary terms and conditions of the contract of sale prior to settlement of the Property or Properties to undertake the development;
- h. engage suitably qualified builders and consultants to construct the Property in a proper and workmanlike manner through to practical completion;
- i. keep financial records for a Property and each Class of Interests;
- j. assist the Responsible Entity with any reasonable requests to ensure satisfactory completion of the Project on time and budget;
- k. if requested you may arrange for an inspection of a Property subject to prior appointment with the Development Manager;
- l. provide the Responsible Entity and you with regular updates on the progress of the construction of the Property or Properties for each Class of Interests;
- m. arrange for practical completion of the Property generally in line with the feasibility and timelines provided to the Responsible Entity;
- n. on practical completion, arrange for registration of the strata plan for the Property and any other approvals necessary to sell the Property on best available terms; and
- o. if required, assist with sales and leasing of the Property on completion.

A Development Management Agreement or similar will be entered into between the SPV and the Development Manager at or prior to the issuance of Interests in the Class of Interests the SPV corresponds to and holds the development Property or Properties.

Details of the Development Management Agreement and any fees payable (generally a % of the Total Development Costs of a project) will be more fully disclosed in the Part 2 PDS.

This fee is payable by the SPV upon receipt of approved invoices from the assets of the Class of Interests that apply to that Property or Properties being developed.

The Development Manager will also be entitled to receive or be reimbursed for any costs that are incurred by them in undertaking and completing the Property or Properties in a Class of Interests by the SPV upon production of satisfactory invoices to the Responsible Entity.

More details of the cost for these services and other costs associated with a Property or Properties in a Class of Interests and the corresponding SPV will be set out in Part 2 PDS.



The Development Management Agreement can be terminated by the Responsible Entity at any time and another Development Manager can be appointed by us.

Either party may terminate the agreement if the other party breaches a term of the agreement and does not remedy the breach. This will provide the Responsible Entity with the control and governance of the SPV and any assets it holds and developments it undertakes.

The Development Management Agreement continues unless and until it is lawfully terminated in accordance with the provision of the agreement, which include where:

- a. a party breaches a term of the agreement and the default involves either a rectifiable breach which is not rectified within 14 days of receipt by the other party of written notice of default, or a breach which is not rectifiable; or
- b. a party gives the other party 1 months' notice of its intention to terminate.

Details of the personnel and experience of the Development Manager are set out in the Part 2 PDS.

Authorised Representatives

The Responsible Entity may enter into an Authorised Representative Agreement with various individuals that meet the requirements of RG 146 to act as an Authorised Representative to assist with the raising of funds from Investors.

The role of the Authorised Representative will be to liaise with financial planners and other third parties to promote the Fund and/or a Class of Interests to applicants.

The Authorised Representative must:

- a. provide the services to the Responsible Entity in accordance with:
 - I. all applicable laws and industry best practice; and
 - II. all reasonable efforts to ensure that it provides sufficient suitably qualified, experienced and competent personnel for the performance of services;
- b. provide the Responsible Entity with all information reasonably requested by us to enable us to evaluate the Authorised Representative's performance of the services;
- c. notify the Responsible Entity immediately of any complaint the Authorised Representative receives in relation to services;
- d. attend and satisfactorily complete all educational, training and development courses and seminars in order to meet the requirements under ASIC RG 146; and
- e. not do anything that would cause us to be in breach of our obligations as a Responsible Entity or Trustee for a Fund under the Corporations Act or breach its obligations as a holder of an Australian Financial Services Licence under the Corporations Act.

You may agree with your financial planner and/or the Authorised Representative to pay an initial advice fee in relation to this investment. Where it has been agreed, you may authorise us to deduct the agreed fee between you and/or the adviser or Authorised Representative a fee of 3.3% (incl. GST) of the amount invested by you in a Class of Interests.

This fee will be paid by the Responsible Entity from your investment to your nominated adviser and/or Authorised Representative on or before Interests are issued in a Class of Interests. The relevant information must be noted on your Application Form when you make your initial investment.



11. Additional Information

11.1. 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.guardiansecurities.com.au. (Continuous Disclosure). If you require a paper copy of any Updated Information please contact us on 1800 60 11 77 or info@guardiansecurities.com.au and it will be provided without charge on request.

While this Part 1 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.guardiansecurities.com.au or
- b. phone us on 1800 60 11 77.

For regular information of the status of a particular Property in a Class of Interests please:

- a. visit the website of the Authorised Representative as disclosed in Part 2 PDS; or
- b. phone the Authorised Representative; or
- c. contact Guardian on 1800 60 11 77 or visit our website www.guardiansecurities.com.au

11.2. Interests Requiring Disclosure

Some of the directors have a beneficial interest in Guardian Securities Limited and will benefit from any fees derived by it. These fees are payable by the Fund from the fees disclosed in section 9 and are not separately recoverable.

11.3. 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.guardiansecurities.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.

11.4. Unit pricing policy

Our unit pricing policy for the Fund is available, free of charge, on request and can be obtained by contacting us on info@guardiansecurities.com.au or phone 1800 60 11 77.

11.5. Labour standards and social, ethical and environmental considerations

While we will 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 Property for purchase and managing or developing a Property.



11.6. **Complaints**

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

Guardian Securities Limited
Suite 7,
211 Ron Penhaligon Way
Robina QLD 4226

Alternatively, you can phone us on 1800 60 11 77.

We are a member of, and participate in, the Financial Ombudsman Service Limited (FOS), an independent external 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

11.7. **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.

11.8. **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.

11.9. **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.guardiansecurities.com.au.



11.10. Electronic PDS

Part 1 PDS & Part 2 PDS is available in electronic form at www.guardiansecurities.com.au. We will send, on request, any person receiving these PDS's electronically, a paper copy of the PDS free of charge during the period of the Offer.

Applications must be made by completing the Application Form online in accordance with the instructions in this Part 1 PDS.

Interests cannot be issued unless you complete the Application Form. The Application Form contains a declaration that you have personally received the complete and unaltered PDS prior to completing the Application Form. You should read Parts 1 PDS and 2 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 these PDS's or if we have reason to believe that the Application Form or electronic copy of these PDS's has been altered or tampered with in any way.

While we believe that it is extremely unlikely that during the Offer period the electronic versions of these PDS's 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 these PDS's directly from us or your adviser.

11.11. Consents

PKF (Gold Coast) (PKF) has given its written consent to being named in the Part 1 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 Part 1 PDS.

PKF does not make any statement, actual or implied, in this Part 1 PDS, nor is a statement in this Part 1 PDS based on a statement made by PKF. PKF has not authorised or caused the issue of any part of this Part 1 PDS and takes no responsibility for any part of this Part 1 PDS.

Australian Executor Trustees Limited has not withdrawn its consent to be named in this Part 1 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 Part 1 PDS and there is no statement in this Part 1 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 Part 1 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.

AG Edwards Legal and Compliance has given its written consent to being named in this Part 1 PDS as legal advisor to the Fund in the form and context in which it is named and has not withdrawn that consent prior to the issue of this Part 1 PDS. AG Edwards Legal & Compliance has not authorised or caused the issue of any part of this Part 1 PDS and takes no responsibility for any part of this Part 1 PDS.

11.12. Directors' authorisation

The Directors have consented to, and authorised, the issue of this Part 1 PDS, and Part 2 PDS.



12. How to Invest

12.1. How do I invest in the Fund?

Information about the particular Project or Investment offered to Investors and the Class of Interests available for subscription are contained in a Part 2 PDS.

The Part 2 PDS also discloses the investment strategy for that Class of Interests, issue price of the Interests in that Class, and the number of Interests available for subscription under an Offer for a particular Class.

The investor ought to fully read the PDS, comprising both Part 1 PDS and Part 2 PDS, prior to investing in a particular Project or Company, the interest in that Project will be reflected by purchasing Interests in the applicable Class and the Fund, and completing and submitting the Application Form referred to this Part 1 PDS in accordance with the instructions provided in Section 14.

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 all the Interests offered in the Class of Interests under Part 2 PDS.

If valid applications have not been received for Interests offered within four (4) months of the date of Part 2 PDS 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.

Interests will be issued prior to settlement of the purchase of the applicable Property or SPV to which the Offer relates, provided the purchase contract is unconditional and the Minimum Subscription Amount is reached as set out in the Part 2 PDS.

Once the minimum subscription amount as set out in Part 2 PDS is reached, any interest earned on the application money for which Interests are issued will form part of the assets of the Class of Interests to which those Interests belong. Investors should read Part 1 PDS and Part 2 PDS of the PDS in its entirety. We recommend that you seek your own independent financial and taxation advice.



12.2. Steps to Invest

The table below summarises the steps to invest in the Fund.

1	Read	Read Part 1 PDS and Part 2 PDS of the PDS in its entirety.
2	Consider	Pay particular attention to all aspects of the PDS (both Part 1 PDS and Part 2 PDS) including the section "Risks of Investing". You need to consider this investment information in light of your particular investment objectives and circumstances.
3	Consult	You should consider whether or not, you need to consult a financial, tax or other professional adviser to help you decide whether or not to invest in the Fund.
4	Complete the Application Form	To invest in the Fund, please complete and return the Application Form accompanying this Part 1 PDS. The completed and signed Application Form must be returned together with a cheque for payment, if you are paying by cheque, or a remittance advice, if you are paying by telegraphic transfer or electronic funds transfer.
5	Certify the identification documents	If you are a new investor, you must provide the Fund with appropriate certified identification documents, as required by the Australian Anti-Money Laundering and Counter Terrorism Financing Act 2006. The AML-CTF identification documents required are dependent on the specific entity investing (e.g. individual, corporation, trust, partnership, etc.). More information on AML-CTF certified identification is available in the section "Guide to Completing the Application Form" in section 14 of Part 1 PDS. If you have any questions or require assistance please contact Guardian Securities on 1800 60 11 77 or email info@guardiansecurities.com.au
6	Mail	Send your completed Application Form (and, if a new investor, your AML-CTF certified identification documents) and cheque or electronic funds transfer remittance advice to: Guardian Securities Limited Suite 7 211 Ron Penhaligon Way Robina Qld 4226

Investors should read Part 1 PDS and Part 2 PDS of the PDS in its entirety. We recommend that you seek your own independent financial and taxation advice.



13. Glossary

AFSL	means an Australian financial services licence issued by ASIC.
Application Form	means the application form attached to this Part 1 PDS.
Asset	means any asset of the Fund or the SPV.
ASIC	means AustralianSecuritiesandInvestmentsCommission.
Authorised Representative	means any person or entity appointed by the Responsible Entity.
Board	means the board of Directors of the Responsible Entity.
Class of Assets	means, for a Class of Interests, any assets allocated by the Responsible Entity to that Class of Interests and in which members of that Class of Interests have an undivided proportionate interest in such assets to the exclusion of members of each other class.
Class of Interests	refers to, as the context requires, Interests, investors, Property or other assets of a particular class of Interests in the Fund.
Compliance Committee	means the committee established in accordance with the Corporations Act, as described in section 10.2 of Part 1 PDS.
Compliance Plan	means the compliance plan for the Fund, as described in section 10.2 of Part 1 PDS.
Constitution	means the constitution for the Fund dated 28 February 2014 as may be amended from time to time.
Construction Lender	means a bank or similar lender who offers debt funding for the Project on terms and conditions acceptable to the Responsible Entity.
Corporations Act	means the Corporations Act 2001 (Cth).
Cost Price	means the amount calculated by the Responsible Entity for Investors to acquire a Designated Lot on completion of a Project sufficient to repay all creditors to the Project adjusted from time to time to allow for changes in total project costs as set out in the Part 2 PDS.
Cumulative preference	means that if any dividends payable by a SPV to the Fund have been omitted in the past, they must be paid out to Preference Shareholders first, before ordinary shareholders in the SPV can receive distributions.
Custodian	means Australian Executor Trustees Limited ABN 84 007 869 794.
Custody Agreement	means the agreement between us and the Custodian referred to in section 10.3 of Part 1 PDS.
Development Manager	means any party or corporation appointed by the Responsible Entity from time to time as disclosed in Part 2 PDS.
Designated Lot	means the right of an Investor to acquire a completed strata title unit or subdivided lot allocated to that investor in a particular Class of Units as detailed in the Part 2 PDS.
Directors	mean the directors of the Responsible Entity, from time to time.
Extraordinary Resolution	has the meaning given in the Constitution.
Floating rate of return	means the anticipated yearly rate of return on funds invested in a unit trust, company or SPV considered achievable by that company or SPV.



Fund	means The Guardian Investment Fund ARSN 168 048 057.
Gross Asset Value	of an Asset means the total value of the Asset incurred by the Fund or SPV in respect of the Asset plus any other amounts which the Responsible Entity reasonably considers should be included for the purpose of making a fair and reasonable determination of the value of the Fund or SPV on an undiscounted basis having regard to the Applicable Standards.
Guardian	means Guardian Securities Limited ACN 106 187 731 its successor and assigns.
Interest	has the meaning given in the Constitution.
Issue Price	means the issue price of the applicable Interest less any Contribution fee payable to us.
Net Development Profit	of a Property is determined by subtracting the total development costs from the gross sales revenue of a particular asset or Property.
Offer	means the offer of Interests made in Part 1 PDS and part 2 PDS specific details of which are contained in Part 2 PDS
Part 1 PDS	means Part 1 PDS, containing general information about the Fund.
Part 2 PDS	means Part 2 PDS, containing specific details of the Offer, the Property and the Class of Interests.
PDS	means this product disclosure statement comprising Part 1 PDS and Part 2 PDS.
Preference Share	means a preference share in a company allocated to a Shareholder or Fund as provided for in the Constitution of that Company.
Project	means the particular Property development allocated to a Class of Interests in which the investors will have the opportunity to invest, and comprises the acquisition of the development Property, attainment of necessary approvals and construction and sale of the development.
Property	is a reference to a Property or properties of a particular Class of Interests.
Redemption Date	shall be the date of expiration of the Class of Interests or preference shares as disclosed in the Part 2 PDS or otherwise as agreed in writing between the shareholder and the Company.
Responsible Entity	means Guardian.
Shares	mean the issue of shares by a Company or SPV.
Shareholder	means the holder of Shares in a Company or SPV.
SPV	means a unit trust or company, wholly owned by the Fund and, for unit trusts, of which we are its trustee, established to purchase and hold Property or Properties and any other assets of a Class of Interests and, where applicable, which will be the borrower of any financial accommodation obtained to assist in the purchase and development of that Property or Asset.
Total Development Costs	means the total of all costs associated in the acquisition of the Property and all associated construction costs of the Project.
us, our and we	means Guardian Securities Limited ACN 106 187 731.
you and your	means a person or entity who subscribes for and is issued Interests in the Fund or a Class of Interests.



14. GUIDE TO COMPLETING THE APPLICATION FORM

The Interests being applied for are interests in a managed investment scheme The Guardian Investment Fund ARSN 168 048 057 (Fund). The Part 1 Product Disclosure Statement (PDS) dated 15 September 2015 which relates to the Fund is issued by the Responsible Entity Guardian Securities Limited ACN 106 187 731 AFSL No 240506.

This Application Form is included in the Part 1 PDS for The Guardian Investment Fund and contains important information about investing in the Fund. You should read in full the PDS for The Guardian Investment Fund ARSN 168 048 057 dated 15 September 2015 and any Supplementary or Part 2 PDS before applying for interests in the Fund.

The Australian Securities and Investment Commission require that a person who provides access to an electronic Application Form must provide access by the same means and at the same time, to the relevant PDS and SPDS.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser or by contacting the Responsible Entity on 1800 60 11 77.

This completed Application Form together with details of the amount you wish to invest in the Fund (either by cheque or electronic transfer) and the required Identification should be forwarded to Guardian Securities Limited at their mailing address:

Guardian Securities Limited
Suite 7
211 Ron Penhaligon Way
Robina Qld 4226

Instructions for Completing the Application Form

Please complete all relevant sections of the Application Form in **BLOCK LETTERS** using blue or black ink.

Only legal entities are allowed to invest in the Fund. Applications must be in the name(s) of natural persons, companies or other legal entities acceptable to the Responsible Entity.

Type of Applicant	Correct	Incorrect	Signatures required
Individual	Fred John Jones	F.J. Jones	Each Applicant
Company	ABC Pty Ltd	ABC P/L ABC Co	Two Directors, a Director and Secretary, or single Director if a sole Director company
Minor	Fred John Jones <Bill Jones>	F.J. Jones	Each Applicant (not a minor)
Trusts	Jane Jones <Jane Jones Family Trust> OR XYZ Pty Ltd <XYZ Family Trust A/C>	Jane Jones Family Trust OR XYZ Trust	Each Trustee
Deceased Estates	Patrick Jones <Est. Fred Jones A/C>	Estate of the Late Fred Jones	Each Executor
Clubs Incorporated Bodies Business Names	Fred Jones and Patrick Jones <Jones Brothers A/C>	ABC Golf Association	Each authorised person
Superannuation Funds	Fred Jones Pty Ltd <Super Fund A/C>	Fred Jones Pty Ltd Superannuation Fund	Each Trustee of the SMSF



Contact Details

Enter your street address – either the residential for natural persons or the registered office for companies. Post office boxes are not acceptable. Company and super fund/trust investors should provide a contact name. Company investors will also need to provide their principal place of business (if it is different from the registered office).

All communications to Investors from the Responsible Entity will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

Confidentiality of information

Guardian Securities Limited will not collect any personal information about you unless you provide it to us voluntarily. When you do provide us with personally identifiable information, we will only use that information to contact you regarding matters which we think you may be interested in.

These details including your email address will not be disclosed to a third party (unless we are legally required to do so) without your written permission.

While we will take every precaution to ensure the confidentiality of all personal information provided to us, we accept no responsibility for any unauthorised access to or dissemination of this information.

Tax File Numbers

Providing Applicants' Tax File Number to the Responsible Entity is not compulsory but tax may be withheld from any distribution at the highest marginal rate if a Tax File Number or Exemption number is not provided.

Applicants' Tax File Numbers or Exemption numbers will only be used for tax-related purposes in accordance with the Income Tax Assessment Act 1936, Income Tax Assessment Act 1997 and Tax Administration Act 1974. It is not an offence to decline to provide a Tax File Number or Exemption number. The collection of Tax File Numbers and Exemption numbers is authorised by taxation legislation.

The Responsible Entity will store all Tax File Numbers and Exemption numbers securely. Access to Investor Tax File Numbers or Exemption numbers is restricted to employees or agents of the Responsible Entity.

Investor Tax File Numbers or Exemption numbers will be securely disposed of when no longer required for administrative or legal purposes.

Application for Interests

Applicants will need to state the dollar amount they intend investing in the Fund.

Applicants need to attach a cheque made payable to "Australian Executor Trustees acf The Guardian Investment Fund" or transfer funds electronically to:

Bank Name	National Australia Bank
Account Name	AETL acf The Guardian Investment Fund Applications Account
B/S/B	082-067
Account No.	8454 28121
Swift Code	NATAAU3303M
Interests applied for	
Reference	Investor name

Applicants must note the cheque details on the Application Form when attaching to the Application Form.

Bank Details

Applicants will need to provide bank details on the Application Form to the Responsible Entity for payment of distributions or interest as they become payable.

Proof of Identity

The Australian Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) requires issuers of interests in investment schemes to collect and verify identification information for new investors. These identification obligations apply to the Responsible Entity as the issuer of the Fund.

You must attach certified copies of your identification documents to your Application Form. Please refer to the information sheets accompanying the Application Form to see what you must provide if you are an individual, a company or a Superannuation Fund or Trust and how it must be certified. Please note that if the Investor is a Superannuation Fund or Trust, identification documents will be required for both the Fund and Trust AND one of the trustees.

The Responsible Entity may be required to disclose personal information to AUSTRAC as the regulator of the Anti-Money Laundering and Counter Terrorism Financing legislation in Australia.

Investor Identification Information Form

If you are investing as:	Documentation required ² : (to accompany return of this completed Application Form)	Application must be in the name of:	Complete Application Form sections: (names are used as examples only)
Individual/s	A certified ¹ copy of <u>one</u> of the following for <u>each</u> applicant: passport; driver's licence; or any other form of photographic identification advised by the Responsible Entity as required.	Full name of Applicant(s) (Unless indicated otherwise, multiple applicants are assumed to apply to hold interests as joint tenants and agree that correspondence be sent only to address specified for first named applicant.)	'Mary Citizen' and 'John Sample Citizen'
A company	Copy of the Certificate of Registration	The name of the company	'ABC Company Pty Ltd'
A trust	Certified ¹ copy of an extract ³ of the trust deed. The extract should include the pages which show the: name of the trust; trustee(s) name(s); and trustee's signature(s) with witness signatures. For corporate trustees a certified copy of the trustee's Certificate of Registration will also be required.	The trustees of the trust ⁴	Natural person(s) as trustee(s) <i>Mary Citizen and John Sample Citizen</i> <as trustee for the Citizen Family Trust> Corporation(s) as trustee(s) <i>XYZ Company Pty Ltd</i> <as trustee for the Citizen Family Trust>
A superannuation fund	Certified ¹ copy of an extract ³ of the trust deed. The extract should include the pages which show the: name of the trust; trustee's name(s); and trustee's signature(s) with witness signatures. For corporate trustees a certified copy of the trustee's Certificate of Registration will also be required.	The trustees of the superannuation fund ⁴	Natural person(s) as trustee(s) <i>Mary Citizen and John Sample</i> <as trustee of the Citizen Superannuation Scheme> Companies <i>XYZ Citizen Pty Ltd</i> <as trustee for the Citizen Pty Ltd Superannuation Scheme>
A partnership	Certified ¹ copy of Partnership Agreement or Certificate of Partnership Registration or Business Name Certificate	The principals of the partnership	<i>Mary Citizen and John Sample Citizen</i> as partners of Sample & Associates

1. A certified copy which is certified as being a true and accurate copy of the original by an Australian Justice of the Peace, a lawyer, police officer, judge, notary public, accountant, Authorised Representative of an AFSL, permanent employee of Australia Post or a medical doctor. Do not send original documents. Certified copies will not be returned to you.
2. Additional documentation may be required in some circumstances.
3. Please do not send us a full trust deed. Only an extract of the deed identifying the trustee(s), the trust name, and the date of execution of deed is required.
4. Applications in the name of a trust, rather than a trustee will not be accepted.



APPLICATION FORM

Issued by Guardian Securities Limited ACN 106 187 731 AFSL No 240506.

FOR INTERESTS IN THE GUARDIAN INVESTMENT FUND ARSN 168 048 057

PRODUCT DISCLOSURE STATEMENT DATED 15 September 2015

**Application Form for The Guardian Investment Fund**

I / we wish to apply for interests in The Guardian Investment Fund ARSN 168 048 057 and hereby agree to be bound by its Constitution.

1. Class of Interest and Amount of Investment

Name of Class of Interest (Offer)	Amount of Investment

2. Type of Investor

Are you applying as			
<input type="checkbox"/>	Individual Investor (go to Section 3)	<input type="checkbox"/>	A Trust (go to Section 4)
<input type="checkbox"/>	Joint Investors (go to Section 3)	<input type="checkbox"/>	A Company (go to Section 4)
<input type="checkbox"/>	Partnership (go to Section 3)	<input type="checkbox"/>	Self-Managed Superannuation Fund (SMSF) (see below)
	<input type="checkbox"/> Individual Trustee	<input type="checkbox"/>	Corporate Trustee
	(go to Section 3)		go to Section 4)

3. Individual or Individual Trustee of a Trust or Superannuation Fund

Applicant 1	Individual	<input type="checkbox"/> Joint-2	<input type="checkbox"/> Partnership	<input type="checkbox"/> Trustee	<input type="checkbox"/>
Surname (Mr., Mrs., Ms.)					
First Names					
Date of Birth			Tax File Number		
Contact Details (Street Address and a phone number must be supplied as a minimum)					
Street Address					
State		Post Code			
Country					
Phone Number			Mobile Number		
Email Address					
Postal Address					
Notices and correspondence will be sent to the postal address if provided or the street address if a postal address is not provided.					

**Application Form (continued)****Applicant 2** **Individual** ☐ **Joint-2** ☐ **Partnership** ☐ **Trustee** ☐

Surname (Mr., Mrs., Ms.)

First Names

Date of Birth

Tax File Number

Contact Details (Street Address and a phone number must be supplied as a minimum)Street
Address

State

Post Code

Country

Phone Number

Mobile Number

Email Address

Postal
Address

If there are additional account holders please attach details in writing to this Application Form.

4. Name of Company, Corporate Trustee of a Trust or Superannuation Fund

Name of Company or Corporate Trustee

Account designation i.e. name of trustee / superannuation fund

Registered Office

ABN/ACN and / or Tax File Number

Contact Details (Street Address and a phone number must be supplied as a minimum)

Street Address

State

Post Code

Country

Contact Name

Title

Phone Number

Mobile Number

Email Address

Postal Address



5. Payment details to invest in the Fund

Applicants need to attach a cheque made payable to “Australian Executor Trustees acf The Guardian Investment Fund” or transfer funds electronically to:

Bank Name	National Australia Bank 292 Pitt Street Sydney NSW
Account Name	AETL acf The Guardian Investment Fund Applications Account
B/S/B	082-067
Account No.	8454 28121
Amount	
Swift Code	NATAAU3303M (overseas investors only)
Interests being applied for	
Reference	Investor Name

6. How would you like to receive your payments?

Interest payments or distributions will be made by credit transfer to your nominated bank account. Please provide details of your bank account below.

Distributions or Interest payments will be made by electronic transfer to the nominated account below:	
Account Name (for interest or distributions - account must bear the name of the Applicant and match the supporting AML-CTF identification documentation supplied)	
Name of Bank or Financial Institution	Address
B/S/B	Account Number

7. Adviser details (See section 10.3 of this PDS for details on payments to external advisers).

Financial Adviser, Agent or Broker (If applicable)		
Full Name		Company
Phone Number		Mobile Number
Email Address		
Postal Address		
Advice Fee	Initial Advice Fee (Max. 3.3% inc. GST)	if applicable % (please indicated percentage)
Stamp	Date	Signature

NB: If an initial advice fee is nominated, we will deduct this amount from your application money and pay this fee to your adviser. Therefore if you invest \$5,000 in the Fund and choose an advice fee of 3.3% inc. GST, (\$165.00) of your investment amount, you will be issued with a Unit Certificate for \$4,835.



Important Notice – This Application Form must be accompanied by the Product Disclosure Statement.

- The offer under this Part 1 PDS issued and dated 15 September 2015 is available to people receiving the Part 1 PDS and Part 2 PDS within Australia.
- It is advisable to read the PDS Part 1 & PDS Part 2 before applying to invest because the PDS Part 1 & Part 2 PDS contains important information about Guardian Securities Limited and an Investment in the Fund.
- I/We have read and understood the attached Part 1 PDS for The Guardian Investment Fund and agree to be bound by the provisions of the Fund's Constitution and any other additional obligations or restrictions contained in the Part 1 PDS and any Supplementary or Part 2 PDS.
- I/We acknowledge receipt of and have read the Financial Services Guide and the General Warning Statement (if applicable) that applies to the Fund.
- I/We acknowledge the Responsible Entity's privacy policy and acknowledge that it will hold personal information about me/us and will disclose this information to my/our authorised representative in relation to the Investment described in this Application Form.
- I/We acknowledge that Guardian Securities Limited will cease to disclose this personal information if I/we notify Guardian Securities Limited that the authorised representative mentioned above no longer acts on my/our behalf.
- I/We acknowledge that Guardian Securities Limited is not bound to accept my/our application, but may accept it in part or in whole.
- I/We have made an offer to become an Investor in the Fund which cannot be revoked.
- I/We confirm that I/we have had opportunity to seek professional advice regarding all aspects of this Investment and have not relied on any statements or representations made by any party (including Guardian Securities Limited, any Authorised Representative, and its officers, employees and agents prior to applying, other than those written representations made in the Parts 1 PDS & Part 2 PDS.
- I/We acknowledge that no company in the Guardian Securities group or its associated entities, any Authorised Representative, their shareholders or directors or other parties named in the PDS guarantees the performance of the Fund, the return of my/our capital or any specific rate of return.

Signing the Application Form

Identification (AML/CTF Act legislation requirement, see section "Guide to completing the Application Form")	
Has the required supporting documentation been included with this application?	Yes <input type="checkbox"/>
Contact Method Authority (ID questions will be asked for phone instructions and a call back for email and facsimile instructions)	
Instructions from the Applicant can be accepted by phone, email or facsimile	Yes <input type="checkbox"/>
I/we acknowledge and declare that by signing this Application Form I/we have read and understood the attached Part 1 PDS & Part 2 PDS and where applicable give the declarations, acknowledgements and consents set out in the section "Guide to Completing the Application Form".	
Applicant(s) Signature (Individual, Joint Applicants)	
Print Name	Sign
Date	Position held (for a Company, Trust or Self-Managed Super Fund)
Print Name	Sign
Date	Position held (for a Company, Trust or Self-Managed Super Fund)
Completed Applications - signed original Application Forms and application monies along with certified copies of supporting identification documentation should be sent to the Responsible Entity whose address is shown in the Corporate Directory at: <div style="text-align: center;"> Guardian Securities Limited Suite 7 211 Ron Penhaligon Way Robina Qld 4226 </div>	