

RICARD PROPERTY 201502#01 FUND

Supplementary Statement : Montmorency Sub Fund

6 June 2017

Replaces any Supplementary Statement
issued before this date

Trustee

Ricard Securities Pty Ltd AFSL 299812

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IMPORTANT NOTICE

This Supplementary Statement : Montmorency Sub Fund dated 6 June 2017 (Statement) forms part of and must be read in conjunction with the Ricard Property 201502#01 Fund Information Memorandum (IM) dated 1 March 2016.

Application for units in this Sub Fund is limited to investors who are Members of the Ricard Property 201502#01 Fund.

This Statement is not a Product Disclosure Statement (PDS) and in accordance with Division 2 of Part 7.9 of the Act there is in this circumstance no requirement to produce a PDS.

Accordingly this IM may not contain all information that would be included in a PDS.

Intending investors and their advisers should conduct their own independent analysis of the project and the information contained in or referred to in this document. The Trustee may at its absolute discretion update or supplement the information in this Statement at any time and such further information will be provided under the same terms and conditions as the IM.

THE OFFER

The Trustee reserves the right at its sole discretion and for any reason whatsoever to modify, amend, abandon or withdraw all or a portion of the offering being made pursuant to this Statement and will have no liability whatsoever to any person should it do so. The Trustee is not bound to accept any application for units in the Sub Fund.

DISCLAIMER AND RESERVATION

This document has been prepared solely for the purpose of information and analysis and is for the use of the recipient only. Neither this document, nor its content is to be reproduced, transmitted or made available to any person by the recipient. Upon request, the recipient must promptly return all material received from the Trustee without retaining a copy.

The information in this Statement is given in good faith and has been obtained from published information or other sources believed to be reliable at the time of preparation. No person involved in the preparation of this Statement warrants the accuracy of any information or is under any obligation to make any change for inaccuracy.

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This Statement may contain certain information, estimates and projections with respect to the anticipated future performance of the Sub Fund. No representation is made as to the accuracy or reliability of such information, estimates and projections and the recipient of this Statement may not rely on them as statements of fact.

None of the Trustee's directors, managers, officers, employees or advisers or any person, firm or corporation associated with the preparation of this Statement warrants or represents that it contains all the information that may be required to evaluate an investment in the Sub Fund.

No person involved in the preparation of this Statement accepts liability or responsibility whatsoever for the accuracy or completeness of the document or makes any representation in relation thereto or guarantees the performance of the Master Fund or any Sub Fund, the repayment of capital or distributions or any particular rate of return.

This Statement has been prepared without consideration of the particular investment objectives, financial situation and needs of the recipient. Therefore, recipients should in all cases take their own legal, financial and other professional advice to ensure that investing in this Sub Fund is suitable for them given their particular financial and other circumstances.

This Statement is supplied on the terms and conditions described herein. If these are not acceptable and the recipient does not agree to be bound by them, then the recipient must return it to the Trustee. Retention of the Statement will be deemed to constitute acceptance by the recipient of the terms and conditions set out in this document.

Distribution of this Statement in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of it should seek advice and avoid violating those laws. This Statement does not constitute an offer of Securities in any jurisdiction where, or to any person whom, it would be unlawful to issue this Statement.

All information herein is to be treated as
COMMERCIAL-IN-CONFIDENCE

1. Investment & Project Profile

Investment Profile

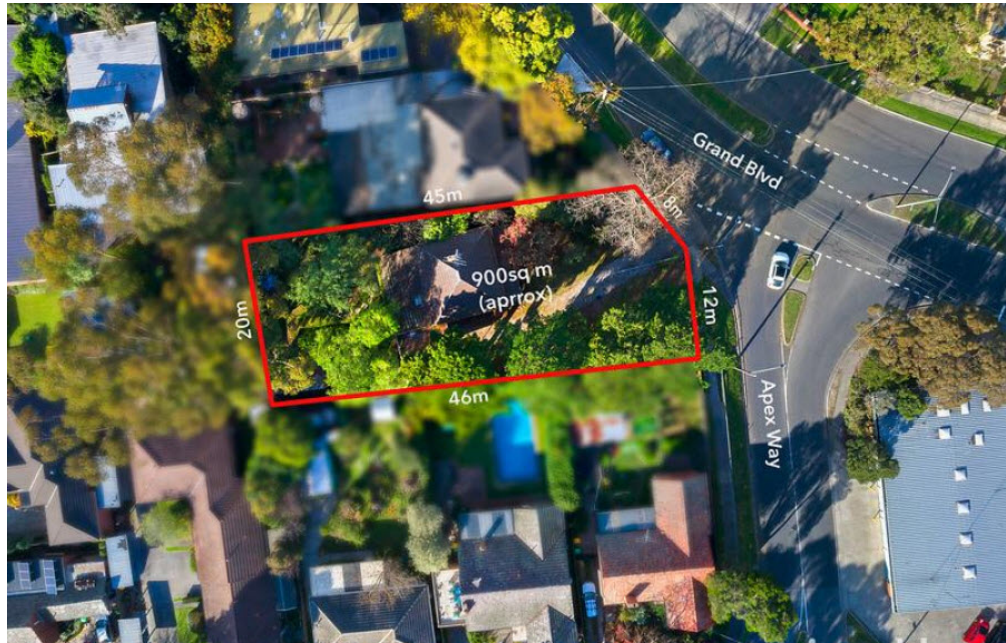
- This is an opportunity to subscribe for units in the Montmorency Sub Fund at \$1.00 ea
- Amount to be raised is \$ 1,000,000
- If you are already a Member of the Ricard Property 201502#01 Fund all you need to do is submit a Consent to Invest Application to allocate funds to this project. If you are not a Member then you must first become one. This means completing the Application for Membership requirements as set out in the Ricard Property 201502#01 Fund IM and submitting those documents and the investment amount together with the Consent to Invest Application that is part of this Statement.

Monies you invest will be placed in the Ricard Property 201502#01 Fund and from there they will be allocated to Sub Funds for projects that you elect to invest in. At projects end, your monies are re-booked to your Ricard Property 201502#01 Fund Member Account and the Sub Funds will be closed.

Project Profile

Opportunity	<p>Scope of the project is to purchase an un-permitted property at 5 Grand Boulevard Montmorency Vic 3094, obtain a Planning Permit, build and then sell the dwellings for profit.</p> <p>Stage 1 is to acquire the property and lodge a planning application. Stage 2 will be the build and sale of dwellings.</p> <p>Capital raised through this offer will be sufficient to acquire the property and cover the costs associated with the permit process. Upon granting of the permit (i.e. end of Stage 1) investors will have the choice of exiting and crystallising a Stage 1 profit or remaining in the Fund and earning a further profit from Stage 2.</p> <p>Market demand for residential dwellings in Montmorency is strong. The preliminary Planning/Architectural assessment is that the site will comfortably take two double storey and one single storey townhouses of approx 172 sqm each. Styles and dimensions are consistent with recent developments in the area and are well within the current planning envelope.</p> <p>This project will suit investors who want a secured return from a land development opportunity. Time frame to project completion is 10 months.</p>						
Structure	Ricard Securities or one of its associates will establish a Special Purpose Vehicle (SPV) to carry the transaction. Investor monies allocated to The Montmorency Sub Fund will be passed to the SPV as Equity						
Investor Returns	<p>Stage 1 - a Fixed Agreed Return of 15% on amount invested to be settled within 10 months (an annual rate of 18% p.a.) and paid by the SPV ahead of any Trustee, Management Fees or Other Operating Expenses. This Sub Fund will underwrite Stage 1 returns to investors wanting to cash out at the end of this Stage</p> <p>Stage 2 returns will be determined when the design and site layout is finalised.</p> <p>Following the distribution of Capital and returns from Stages 1 and 2 to the Montmorency Sub Fund, the SPV will be wound up after settling all remaining liabilities associated with the transaction.</p>						
Minimum Investment	\$10,000.with additional amounts in multiples of \$ 5,000						
Amount to be raised	Minimum \$700,000 Maximum \$ 1,000,000						
Withdrawal of Funds	Once allocated to a Sub Fund there is no automatic provision for withdrawal, but on a best-endeavours basis the Trustee will attempt to source a replacement investor.						
Use of Funds	<p>The \$1,000,000 raised will be used as follows</p> <table> <tr> <td>Purchase of land (incl Stamp Duty and Legal costs)</td><td>\$ 914,000</td></tr> <tr> <td>Planning Application</td><td>\$ 27,000</td></tr> <tr> <td>Working Capital</td><td>\$ 59,000</td></tr> </table>	Purchase of land (incl Stamp Duty and Legal costs)	\$ 914,000	Planning Application	\$ 27,000	Working Capital	\$ 59,000
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Planning Application	\$ 27,000						
Working Capital	\$ 59,000						

Site Plan



Title Details



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**REGISTER SEARCH STATEMENT (Title Search) Transfer of
Land Act 1958**

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VOLUME 08200 FOLIO 932

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LAND DESCRIPTION

Lot 1 on Title Plan 594364E (formerly known as part of Lot 7 on Plan of Subdivision 033656).
PARENT TITLE Volume 04633 Folio 539
Created by instrument A591803 25/08/1958

REGISTERED PROPRIETOR

Estate Fee Simple
Sole Proprietor
NORMA CLARICE JEAN THOMAS of 5 GRAND BOULEVARD MONTMORENCY VIC 3094
AD370214Q 17/01/2005

ENCUMBRANCES, CAVEATS AND NOTICES

Any encumbrances created by Section 98 Transfer of Land Act 1958 or Section 24 Subdivision Act 1988 and any other encumbrances shown or entered on the plan set out under DIAGRAM LOCATION below.

DIAGRAM LOCATION

SEE TP594364E FOR FURTHER DETAILS AND BOUNDARIES

ACTIVITY IN THE LAST 125 DAYS

NIL

-----END OF REGISTER SEARCH STATEMENT-----

Additional information: (not part of the Register Search Statement)

Street Address: 5 GRAND BOULEVARD MONTMORENCY VIC 3094

DOCUMENT END

Montmorency
Images

Montmorency is located 18 km north-east of the CBD. Located in Melbourne's outer north- It is a small, but hilly residential suburb with a number of parks along the Plenty River which forms the western border of the suburb. It has a large skilled work force with over 30% employed as managers, administrators and professionals.



Recent
Development
Projects in the area



Examples of recent Townhouse sales

morrison kleeman

SOLD

1/17 Elmo Road
Montmorency, Vic 3094

🏠 4 🛋️ 2 🚗 2

\$930,000
house, Sold on 28 Apr 2017

Save

morrison kleeman

Ciaran Brannigan
[Phone](#) [Profile](#)

Our development

The Planning Permit will be sought for three architect designed up-market townhouses that are popular in the area. Target markets for the development are young professionals and down-sizers

Preliminary concept sketch



2. FAQs about the Ricard Property 201502#01 Fund

What is a Sub Fund ?

It is a quarantined part of the Master Fund that identifies your investment in a particular project.

Who can invest ?

Investment is open only to Members of the Ricard Property 201502#01 Fund referred to herein as the Master Fund.

How do I invest

You need to first become a Member of the Master Fund and then allocate funds to a Sub Fund to participate in a project. You do that by lodging a Consent to Invest application form.

Is there a cooling-off period ?

No. There is no cooling-off period.

What fees will I pay ?

No Transfer Fees are levied against your Account Balance when you allocate money to a Sub Fund.

What is the return ?

Each investment project will offer its own return and these may differ from project to project. Profit shares are paid at project end and all returns are subject to tax according to Australian taxation laws.

When does the investment commence ?

All monies in the Master Fund are held on Interest-Bearing Deposit where you earn interest at Bank rates. The term of your investment in a project commences on the day that your money is allocated to a Sub Fund. At this point you cease to earn Deposit Interest and become entitled to returns from the project you selected.

Can I withdraw my money when I want to ?

You may withdraw money from the Master Fund at any time but once allocated to a Sub Fund it will not be available until the end of the project. However if requested, the Trustee will attempt to find a replacement investor or subject to Trustee approval, you may be able to sell/transfer your investment.

What happens at project completion ?

Your interest in the Sub Fund is replaced by an interest in the Master Fund and from there you can either re-invest or withdraw your money.

What information do I receive as a Member of the Sub Fund ?

You receive a series of Project Updates that give full detail of the project being undertaken.

How secure is my investment ?

Your investment in a Sub Fund is exposed to the risks associated with the project. You should carefully read the section of this IM on "Risks of Investing" and with your financial and other advisers you should make your own assessment of a project before approving allocation of your investment funds to it.

Project profit or return of capital is not guaranteed.

What reports will I receive ?

You will receive an initial Investment Summary and an Annual Statement showing Income/Profit Distributions and the status of your investments.

3. Advisory Board & Key Consultants

Advisory Board	For Stage 1 of this project the Advisory Board consists of		
	M van Cuylenburg D Danaher	Director Partner	Ricard Securities Danaher Legal Trustee & Project Manager Lawyer
Key Consultant	C de Bono Dwelling design and Planning Application		

4. Project Risks

General Risks	<p>Investment returns from property development projects are influenced by a number of factors, some common to all such projects and some unique to the Projects undertaken.</p> <p>Many factors cannot be controlled by the Trustee & Project Manager, while other risks can be mitigated and it will be incumbent on the Trustee & Project Manager to implement measures that reduce such risks.</p>	
Specific Risks	Event	Response
	Planning consultant does not meet its timeline obligations.	The Trustee will need to act to rectify the situation.
	The relevant Council refuses to grant a Planning Permit or there may be objections to its issue	The Permits sought will be well within current Planning Guidelines so no refusal is considered likely.
	Residential land values may fluctuate due to changed market conditions. A fall would adversely impact sales values and reduce profitability	Fluctuating property values are beyond the control of the Trustee & Project Manager. The project is substantially pre-sold so little market risk remains.
	Construction or other costs may be higher than estimated reducing the development profit.	Any cost overrun will be to the account of the service provider.
	Environmental issues may adversely impact on the project.	There are no environmental issues associated with or Heritage Overlays on the land.

5. Consent to Invest

Ricard Property 201502#01 Fund – Montmorency Sub Fund Application

Investor Name

Investor ID

Amount

\$

I/we as Applicant declare

- (i) that I/we have read the entire Ricard Property 201502#01 Fund Information Memorandum (IM) and this Supplementary Statement (together the Document)
- (ii) that if an electronic copy of the Information Memorandum has been used, that I/we obtained the entire Document not just the application form and
- (iii) that I/we have not obtained any personal financial advice from Ricard Securities Pty Ltd ABN 59 104 837 952 or any of its employees.

I/We agree to be bound by the conditions contained in the Document and the Fund's Constitution (as amended from time to time) and acknowledge that neither Ricard Securities Pty Ltd nor any of its employees guarantees the performance of any Sub Scheme, the payment of distributions or the repayment of capital. I/we acknowledge that any investment is subject to investment risk.

I/We instruct the Trustee to apply the amount shown above to the Montmorency Sub Fund project.

Name

Signature

Capacity

(Individual, Trustee, Director etc)

Name

Signature

Capacity

(Individual, Trustee, Director etc)

Name

Signature

Capacity

(Individual, Trustee, Director etc)

Date

