

GPS Investment Fund Limited

Responsible Entity & Issuer

ACN: 145 378 383

AFSL: 383080

GPS Invest Pooled Fund

ARSN: 149 257 410



Product Disclosure Statement

9 May 2011

GPS Investment Fund

GPS INVESTMENT FUND LIMITED
ACN 145 378 383 / AFSL 383080

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Corporate Directory

Custodian

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GPS Investment Fund Ltd Lawyers

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Brisbane Qld 4000

Transactional Lawyers

McGillivrays Solicitors
Level 2, 200 Adelaide Street
Brisbane Qld 4000

Fund Auditor

Whitehills Business Advisers and
Chartered Accountants
Level 18, 300 Adelaide Street
Brisbane Qld 4000

Quantity Surveyor & Construction

Cost Managers

Mitchell Brandtman
29 Woodstock Road
Toowong Qld 4066

Accountant

Whitehills Business Advisers and
Chartered Accountants
Level 18, 300 Adelaide Street
Brisbane Qld 4000

Principal Valuers

Savills (Qld) Pty Ltd
Level 9, 175 Eagle Street
Brisbane Qld 4000

Complaints Resolution

Credit Ombudsman Service Limited
PO Box A252
Sydney NSW 1235
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Compliance Plan Auditor

Patrick Hoiberg Chartered Accountant
Suite 1, 44 Station Road
Yeerongpilly QLD 4105

Important information

This Product Disclosure Statement (“PDS”) relates to investments in GPS Invest Pooled Fund ARSN 149 257 410 (the “Fund”). It is issued by GPS Investment Fund Limited (ACN 145 378 383 / AFSL 383080) (“GPS”) as Responsible Entity and Issuer and is dated 9 May 2011.

A PDS in-use notice for this PDS has been lodged with the Australian Securities and Investments Commission (“ASIC”). ASIC takes no responsibility for the content of this document.

This PDS contains important information, you should read it carefully and in its entirety. It contains general information only and does not take into account your particular needs, objectives, financial situation or investment preferences. You should consider carefully if an investment in the Fund is appropriate for you in light of your objectives, financial situation and needs.

An electronic version of this PDS may be accessed via the GPS website www.gpsinvest.com.au. You may receive a paper copy of this PDS free of charge by calling GPS on 1800 999 109. If you receive this PDS in electronic format, you should ensure the complete document including the Application Form is received. If this is not the case, please contact GPS. Initial applications for investment may only be made on the Application Form accompanying this PDS and submitted to GPS.

This PDS is not investment advice and you should seek your own financial advice before investing.

If you have any questions concerning the information contained in the PDS please contact GPS on 1800 999 109 or email info@gpsinvest.com.au or go to our web-site at www.gpsinvest.com.au.

Investments in the Fund are not deposits with or liabilities of GPS and are subject to investment and other risks, including possible loss of income or loss of income and capital invested. Neither GPS or Perpetual, their officers or related entities, guarantee the repayment of any capital or the performance of the Fund or that any of the investment objectives stated in this PDS will be achieved. This PDS does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. 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. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

Some important terms used in this PDS are described at the rear of this PDS in “Words with special meanings”.

This PDS is a document required by the *Corporations Act 2001* (“the Act”) and contains information designed to help you decide whether to invest in the Fund.

Next steps

To invest in the Fund you should:

1. Read all the sections of this PDS.
2. Consult your financial or other professional adviser before deciding whether to invest in the Fund. If you or your adviser have any questions on what you need to do, call the GPS Investor Services team on 1800 999 109.
3. Complete the Application Form that accompanies this PDS. Remember that the form will need to be signed by all applicants. For more information on how to apply please refer to page 23 of this PDS.
4. Attach certified copies of your proof of identity documents to your Application Form. The Application Form that accompanies this PDS outlines the documents required. This information is required under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.
5. Send your **original** completed Application Form, together with certified copies of your proof of identity documents and your cheque to: **GPS Investment Fund Limited, Reply Paid 2252 Brisbane Qld 4001** or deliver to Level 11, 39 Sherwood Rd Toowong QLD 4066.
6. All cheques must be made payable to **GPS Investment Fund Ltd - GPS Invest Pooled Fund**.

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Pooled Fund Features

Feature	Explanation	More Information
The Fund	GPS Invest Pooled Fund (“Fund”) is a managed investment scheme registered under the <i>Corporations Act 2001</i> (“the Act”).	Note 1
Responsible Entity & Issuer	GPS Investment Fund Limited (“GPS”).	Note 2
Custodian	Perpetual Corporate Trust Limited (“Perpetual”).	Note 3
ASIC Benchmark Compliance	The Fund complies with ASIC benchmarks by either satisfying each benchmark or where a benchmark is not satisfied, explaining why not. The Fund does not satisfy Benchmark 6. Benchmarks: 1. Liquidity 2. Scheme borrowing 3. Loan portfolio and diversification 4. Related party transactions 5. Valuation policy 6. Lending principles—loan-to-valuation ratios 7. Distribution practices 8. Withdrawal arrangements	Note 4
	Satisfy (Y/N) Y Y Y Y Y N Y Y	
Fund Objective	To provide Investors in the Fund (“Unitholders”) with a stable and predictable monthly income by investing in registered first mortgages over real property in Queensland and Northern NSW.	
Investment Strategy	The Fund offers a variable rate of return from a “pool” of mortgages chosen and managed by the Fund Manager. Unitholders monies are “pooled” and invested collectively.	Note 5
Fund Assets	The Fund will invest exclusively in registered first mortgage loans over real property in Queensland and Northern NSW.	Note 6
Minimum Transaction and Balance Requirements	Minimum initial investment: \$5,000 Minimum additional investment: \$1,000 Minimum withdrawal: \$1,000 Minimum invested amount: \$1,000	Note 7
Units	The beneficial interest in the Fund is divided into Units. No Unit confers an interest in a particular part of the Fund or in particular assets.	
Unit Pricing	Initially \$1.00 per Unit. Thereafter the Unit price will be a floating price based on the Net Asset Value and the number of Units on issue. The Unit price is calculated monthly.	Note 8
Cooling-off Rights	There is no cooling-off period.	Note 9
Distributions		Note 10
Frequency of Distributions	Monthly, where GPS determines there is an amount available for Distribution.	
Returns	Variable, in accordance with the Fund’s Constitution, based on the target rate of return offered by the Fund on its web-site www.gpsinvest.com.au , the number of Units held, and the amount of the Fund distributable income for that Distribution period.	
Payment methods	Direct deposit to your nominated account.	

Feature	Explanation	More Information
Option to reinvest Distributions	Yes, at the applicable Unit price. The same withdrawal conditions as capital investments apply.	
Investment Transfers	Units can be transferred to others for a fee of up to \$165.00 including GST per transferee paid to the Fund and subject to identity verification of the transferee/s.	Note 11
Withdrawal Rights		Note 12
Frequency	The Fund operates as a non-liquid managed investment scheme and cannot guarantee the offer or payment of withdrawals at any particular time. It is GPS's objective that withdrawal offers will be made on a periodic basis (usually quarterly on 28 February, 31 May, 31 August and 30 November) in accordance with the Act. Note: No withdrawals can be made outside of a periodic offer.	
Eligibility	Units held ("Eligible Units") on the date of the close of the withdrawal offer.	
Amount	You may request written withdrawal of part or all of your Eligible Units. If there is an insufficient amount of money available from the total withdrawal offer to satisfy all Unitholder requests, Unitholders will receive a pro rata amount.	
Payment timing	The withdrawal amount must be paid within 21 days of the close of the offer.	
Payment method	Direct deposit to your nominated account.	
Fees and Charges		Note 13
Establishment & contribution fees	Nil.	
Withdrawal fees	Nil.	
Management costs	3.75% to 5.5% including GST (estimated) of funds under management, generally deducted from income. Expenses are paid out of the assets of the Fund when due and payable. Management fees are paid monthly in arrears out of the assets of the Fund. This fee includes an amount payable to an adviser (if applicable). NOTE: Under the Fund's constitution Management Fees cannot exceed 5.5% (incl GST) of the assets of the Fund. Expenses are reimbursed in addition to this amount.	
Risks of Investing	As with any investment there are risks.	Note 14
Tax Considerations	The Fund is not expected to pay income tax. Unitholders are responsible for declaring their Distributions from the Fund. Withholding Tax may apply in particular circumstances, e.g. Unitholder does not provide their tax file number ("TFN").	Note 15
Complaints and Dispute Resolution	GPS provides an internal complaints and dispute resolution process for Unitholders and is also a member of an external complaints resolution body.	Note 16

Note 1 The Fund

The Fund, which is a pooled fund mortgage investment, works in the following way:

- GPS sources borrowers who will offer the Fund registered first mortgage security over acceptable real estate properties and satisfy other lending criteria as defined by GPS lending guidelines (refer Note 6).
- GPS raises funds through Investors like you (also known as Unitholders in the Fund) who pool their money which is then invested on their behalf in a number of registered first mortgages.
- The borrowers pay monthly interest to the Fund for the use of the Fund's money. The interest on the loan may be capitalised.
- Where the Responsible Entity determines there is an amount available for Distribution Unitholders receive a Distribution sourced from interest paid by the borrower or capital. The historical Distribution rate of the Fund is on its web-site: www.gpsinvest.com.au.
- Under normal operating circumstances the Fund pays expenses and a Management Fee to GPS from **revenue** (the difference between interest paid by borrowers and Distributions paid to Investors).

There are several reasons to consider an investment in a pooled fund mortgage investment:

- Pooled fund mortgage investments offer individual Investors the opportunity to combine their funds with funds of other Investors to collectively invest in loans secured exclusively by registered first mortgages over real property. These "pooled" investments mean no individual Investor has a specific entitlement to any individual mortgage.
- Investors do not need to make an assessment of the individual mortgages.
- Investors enjoy substantially broader diversification of investment in mortgages and income risks when compared to choosing specific or "select" mortgage options.

Key staff from within GPS have been successfully offering mortgage investment opportunities like this in Queensland since 1994. As a result there are several additional benefits to considering an investment in the Fund:

- GPS has extensive management experience in sourcing, assessing and managing mortgage investments.
- You have the benefit of receiving a variable rate of return from a pool of mortgages chosen and managed by GPS.
- Interest payments from the borrowers (less fees and charges) also called Distributions,

are made directly into your nominated account (subject to available funds).

- All costs associated with the establishment of a mortgage investment are paid by the borrowers.

The performance of the Fund, including repayment of invested amounts and the payment of Distributions, is not guaranteed by GPS, its officers or employees or Perpetual, or any other person. The rates of return are not guaranteed, are determined by future revenue of the Fund and may achieve lower than expected returns.

Note 2 Responsible Entity and Issuer

GPS is part of a group of companies ("GPS Group") founded by Managing Director, Richard Woodhead. The initial company in the GPS Group commenced operations in Brisbane in 1994 sourcing and managing first mortgage lending products predominately in the residential construction and development market in Queensland and Northern NSW.

The GPS Group brings to the Fund a wealth of experience gained by originating and managing mortgage loans since 1994. The GPS Group history of timely and consistent returns to Investors is as a result of well-defined investment strategies supported by established mortgage system capabilities and management processes.

GPS Investment Fund Limited ("GPS") was incorporated in 2010 and is the Responsible Entity of the Fund and issuer of this PDS. GPS holds Australian Financial Services Licence No 383080 issued by the Australian Securities & Investments Commission ("ASIC").

Responsibilities, powers and duties

GPS is required to manage and perform the functions conferred on it by the Fund's Constitution and the Act.

Under the provisions of the Constitution, there are certain covenants requiring GPS to:

- manage applications for investment;
- administer the issue, transfer and redemption of Units and maintain a register of Unitholders;
- arrange where appropriate for the valuation of assets;
- collect income and determine the level of Distributions of income and capital to Unitholders;
- prepare annual financial statements;
- control the investments of the Fund;
- call meetings of the Unitholders when

- required; and
- deal with any complaints efficiently and fairly.

The Act imposes duties on GPS and its officers, which the directors of GPS (the “Directors”) take very seriously.

GPS Investment Fund Limited Directors

Richard Knox Woodhead – Chairman and Managing Director

In 1994 Richard was one of the founders of a specialist boutique legal firm practicing in property and construction law, thus creating the GPS Group. Richard is a former Solicitor and has had over 25 years industry experience particularly in the areas of construction, finance, litigation and insolvency law. His background ranges from advising his own property based clients to leading companies he owns through complex contract negotiations, acquisitions, sales and corporate governance. Richard’s legal background is a great asset to the company and gives GPS a depth of understanding and application to this important facet of the business.

Bruce William Atkinson – Director/Funds Manager

Bruce has been Funds Manager since 2000 and an Authorised Representative under the Act since 2002. During this time, he has been responsible for all fund raising activities within the GPS Group including compliance, financial reporting, advertising and promotions. Prior to joining GPS, Bruce had over 20 years experience within the banking and finance industry having occupied senior positions with several Australian banks and financial institutions.

Donald James Blair - External Director

Don is currently the Company Secretary and foundation Director of The LiTMUS Group with 37 years financial management and management consulting experience. Don established the LiTMUS Group in 1988 as a boutique management consulting firm after a 25 year career with Ernst & Young, including 12 years as a partner in the firm. During his time at Ernst & Young, Don gained international experience working in the firm’s London office and in the USA National office. Don has provided financial and management advice to clients in a number of industries. In 2001, Don established a joint venture entity to develop and sell a web-based, online business performance benchmarking system. Don is a Fellow of the Institute of Chartered Accountants with degrees in Commerce and Computer Science.

Russell Quentin Cole - External Director

Russell has over 25 years experience in public practice as a chartered accountant specialising in the corporate sector. Russell has spent the last 15 years as a partner in large accounting firms advising boards from small start-ups to large listed companies. Russell has held many senior positions on committees at both a national and international level within his accounting firms and representing the Institute of Chartered Accountants. Russell’s areas of strength include risk management and corporate governance, including design and implementation of governance frameworks for compliance with the Act and 25 years experience in dealing with statutory financial reporting and compliance with accounting standards and the Act. Russell is a Fellow of the Institute of Chartered Accountants, a registered Company Auditor, and holds a Bachelor of Commerce from the University of Queensland.

Note 3 Custodian

Perpetual Corporate Trust Limited ABN 99 000 341 533 (“Perpetual”) has been engaged to act as Custodian for the assets of the Fund. As such, all mortgages in the Fund will be registered in the name of Perpetual and it will hold the loan transaction documents, including any certificates of title for all mortgaged property.

The role of Perpetual as Custodian is limited to holding the assets of the Fund as agent of GPS. Perpetual as Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

Perpetual acts as an authorised representative of Perpetual Trustee Company Limited (“PTCL”) under PTCL’s Australian Financial Services Licence No. 236643 (Authorised Representative No. 264840). Perpetual has not been involved in the preparation of this PDS. It has not authorised or caused the issue of this PDS, and takes no responsibility for the contents of this PDS other than the references to its name. Perpetual has given and has not, before the date of this PDS, withdrawn its consent to be named in this PDS in the form and context in which its name appears.

Perpetual has no liability or responsibility to you for any act done or omissions made in accordance with the terms of the agreements appointing it. Nor does Perpetual guarantee the return of any investment in the Fund.

Perpetual will be paid a commercial fee by the Fund in accordance with the terms of the Custody Agreement. This fee is 0.025% of the Fund's assets with a minimum of \$25,000 per annum plus transaction costs.

Note 4 ASIC Benchmark Compliance

In September 2008, ASIC issued Regulatory Guide 45 *Mortgage schemes: improving disclosure for retail Investors* ("RG45") setting out benchmarks for unlisted mortgage schemes to address in a PDS. The benchmarks identify a number of financial measures and business practices to help Investors assess the potential risks and rewards being offered prior to making their investment.

Benchmark 1: Liquidity

The responsible entity of the scheme should have cash flow estimates for the scheme for the next 3 months; ensure that at all times the scheme has cash or cash equivalents sufficient to meet its projected cash needs over the next 3 months; and should disclose the policy of the scheme on balancing the maturity of their assets and the maturity of their liabilities.

The Fund satisfies ASIC benchmark 1 with the following procedures and information:

Each month, as part of the Fund's ongoing compliance management processes, a projection will be made of the Fund cash flow estimates demonstrating the Fund's capacity to meet expenses and other cash flow needs for the next 12 months. The material assumptions underlying these cash flow projections include analysis of recent actual Investor inflows and withdrawals, loan movements, and budgeted projections of income and expenses, as well as periodic stress testing of these assumptions. When calculating projections, any undrawn amounts under bank overdrafts or lending facilities are not taken into account. The Fund will maintain cash or cash equivalents sufficient to meet its cash needs over the next 12 months as shown by these projections.

Benchmark 2: Scheme borrowing

If the scheme has borrowed funds, the responsible entity should disclose amounts owing, maturity profile, undrawn amounts, whether lenders rank before Investors; and the purpose for which the funds have been borrowed.

The Fund satisfies ASIC benchmark 2 with the following procedures and information:

The Fund has not borrowed any money as at the date of this PDS.

GPS on behalf of the Fund is permitted under its Constitution to borrow and give security for those borrowings. Where GPS does borrow, it will be on a short term basis only for certain, specific liquidity management purposes. Where GPS does borrow, then the interest of the lender will rank before an Investor's interest in the Fund.

Benchmark 3: Portfolio diversification

The responsible entity of the scheme should disclose the current nature of the scheme's investment portfolio, including by number and value; loans by class of activity; loans by geographic region; loans in default or arrears; the nature of the security; proportion lent to the largest borrower and the 10 largest borrowers; loans that have been approved but have funds that have yet to be advanced and the funding arrangements in place for any of these undrawn loan commitments; maturity profile of all loans; loan-to-valuation ratios for loans; interest rates on loans; loans where interest has been capitalised; the use of derivatives (if any); and a clear description of the non-loan assets of the scheme including the value of such assets.

The responsible entity should also disclose their policy on the above matters and on how the scheme will lend funds generally.

If the scheme invests in, or may invest in, other unlisted mortgage schemes, the responsible entity should also disclose their policy on investing in those schemes.

The Fund satisfies ASIC benchmark 3 with the following procedures and information:

At the date of this PDS, the Fund does not have any assets. It is intended that its assets will be the mortgage loan portfolio (being loans secured by registered first mortgage over residential, commercial, retail and industrial property in Queensland and Northern NSW). GPS will provide updates on its website (www.gpsinvest.com.au) dealing with the specific requirements of this benchmark for segmental data by number and value of the actual mortgage loan portfolio. These details will be made available at the end of each June and December in conjunction with the issue of the financial statements of the Fund, and more regularly if material changes occur.

It is not intended that the Fund will hold any derivatives. It is not intended that the Fund will invest in other unlisted mortgage schemes.

For more information on Lending Criteria refer Note 6 – Fund Assets on page 11.

Benchmark 4: Related party transactions

The responsible entity of a scheme who transacts with related parties of the scheme, including lending or investing scheme funds with related parties should disclose their approach to these transactions, including: details of any loans, investments and transactions they have made to or with any related party; their policy on related party transactions, including the assessment and approval process for related party lending and arrangements to manage conflicts of interest; and how the processes and arrangements are monitored to ensure their policy is followed.

The Fund satisfies ASIC benchmark 4 with the following procedures and information: -

It is the Fund policy that the Fund will not have any loans to or from related parties or any investment in related parties.

GPS does have a related party service agreement with GPS Managed Investments Pty Ltd. GPS Managed Investments Pty Ltd provides administration services to GPS and the Fund and for these services is paid by GPS out of its management fee and also receives application fees from borrowers. Further details of the service agreement are contained in Note 17.

Benchmark 5: Valuation policy

The responsible entity of the scheme should: value properties (i.e. real estate) on an "as is" and (for development property) on an "as if complete" basis; have a clear policy on how often they obtain valuations, including how recent a valuation has to be when they make a new loan; should establish a panel of valuers who are registered under one of the state/territory valuer registration regimes; ensure that no one valuer conducts more than 1/3 of the responsible entity's valuation work for the scheme; include information about the valuation of a particular property for the scheme where a loan secured against the property accounts for 5% or more of the total value of scheme's loan book.

The Fund satisfies ASIC benchmark 5 with the following procedures and information: -

Each valuation must be prepared by a valuer who:

- is properly qualified, licensed and reputable;
- has at least 5 years relevant experience in valuing properties of the kind in question;
- is not associated with GPS, the applicant borrower, any guarantor or any parties relating to any of them;

- holds current professional indemnity insurance to a level at least equalling the valuation amount; and
- is on a panel maintained by GPS of suitably qualified and experienced valuers; or
- where there are no members of the GPS panel of valuers operating in a particular geographical area or with expertise in regard to a particular property type GPS will appoint an expert valuer from outside the GPS panel.

Each valuation must be no older than 3 months before loan advanced, and contain a valuation statement that it complies with all relevant industry standards.

Benchmark 6: Lending principles – Loan to valuation ratios

The responsible entity of the scheme should maintain the following loan-to-valuation ratios for loans: 70% on the basis of the latest "as if complete" valuation where the loan relates to property development; and 80% on the basis of the latest market valuation in all other cases.

Where the loan relates to property development, the responsible entity should ensure that the scheme only provides funds to the developer in stages, based on external evidence of the progress of the development.

The Fund does not satisfy ASIC benchmark 6. If not why not?

Often, as a matter of prudence, construction and development loans include capitalised interest and certain contingency amounts and as a result LVRs may exceed 70% but would not be greater than 80%.

These ratios apply at the time of approving a loan and are designed to mitigate some of the lending risks. GPS will not necessarily approve a loan at the maximum LVR of 80% and often less. During the course of a loan the total debt owing may exceed the LVR limit set for the loan on the value of the mortgaged property due to a combination of factors, including a decline in the value of the mortgaged property, or accrual of unpaid interest or other costs.

Where the loan relates to property construction or development, GPS ensures that the Fund only provides monies to the developer in stages, that is, on a "cost to complete" basis, based on independent quantity surveyors' written evidence of the progress of the development.

Benchmark 7: Distribution practices

If the scheme is making or forecasting distributions to members, the responsible entity should disclose: the source of the distribution;

and if the current or forecast distribution is not solely sourced from income received in the relevant distribution period, the reasons for making those distributions and whether this is sustainable over the next 12 months.

If the scheme promotes a particular return on investments, the responsible entity should clearly disclose details of the circumstances in which a lower return may be payable, together with details of how that lower return will be determined.

The Fund satisfies ASIC benchmark 7 with the following procedures and information:-

The Fund will normally pay a Distribution out of income earned during a month within 10 business days after the end of the month for which it is calculated. This income is primarily sourced from the interest paid by borrowers under the loans that the Fund makes. The payment will be made by direct deposit into each Unitholder's nominated account.

In addition to income that GPS determines is distributable, the Constitution allows GPS to distribute any additional amount, including capital.

Where the interest on a loan to a borrower is capitalised, the interest payments for the expected life of the loan are retained by the Fund from the amount lent and this money is then used to fund Distributions during the anticipated term of the loan.

If no Distribution payment instruction has been received, the Distribution will be reinvested automatically as additional Units in the Fund to the value of the whole dollar amount of the Distribution.

The Fund's Distribution policy can be viewed by going to www.gpsinvest.com.au.

Although the Fund may indicate an expected Distribution return or amount, the Distribution rate may vary from period to period depending on the performance of the Fund.

Benchmark 8: Withdrawal arrangements

The responsible entity of the scheme should provide details of whether Investors will be able to withdraw from the scheme. If Investors are given the right to withdraw from the scheme, the responsible entity should clearly disclose: the maximum withdrawal period allowed under the constitution for the scheme; any significant risk factors or limitations that may affect the ability of Investors to withdraw from the scheme; the approach to rollovers, including whether the "default" is that investments in the

scheme are automatically rolled over; and if withdrawals from the scheme are to be funded from an external liquidity facility, the material terms of this facility, including any rights the provider has to suspend or cancel the facility.

If the scheme promotes a fixed redemption unit price for investments (e.g. \$1 per unit), the responsible entity should clearly disclose details of the circumstances in which a lower amount may be payable, together with details of how that amount will be determined.

The Unit price for Units issued in the Fund is variable and is calculated as the value of the assets in a Fund divided by the number of Units on issue in the Fund.

The Fund satisfies ASIC benchmark 8 with the following procedures and information: -

The Fund operates as a non-liquid managed investment scheme and withdrawals will be offered quarterly by GPS in accordance with the Act and subject to the withdrawal provisions of the Constitution. For more information on withdrawal arrangements refer Note 12 – Withdrawal Rights on page 14.

Note 5 Investment Strategy

The key fundamentals of the Fund investment strategy include:

- investing in registered first mortgages only;
- no related party lending;
- independent, expert valuations obtained before settlement;
- non specialised properties only located in Queensland and Northern NSW; and
- maximum loan limits to avoid exposure to single loans, secured property types or any one borrower.

The GPS Group have been writing loans similar to those in which the Fund will invest since it was founded in 1994. GPS has built on its history and experience in the mortgage lending industry to develop proven, robust processes and policies in the key areas of:

- mortgage origination and assessment;
- legal documentation and loan settlement;
- on-going management; and
- default management.

Note 6 Fund Assets

The Fund will invest exclusively in registered first mortgage loans over residential, commercial, retail and industrial property in Queensland and Northern NSW. The Fund will

lend primarily but not exclusively for residential construction and development projects.

The policies of GPS in the following key areas are:

- the maximum loan amount for any one borrower will generally not exceed \$5 million;
- the borrowers capacity to service loans will be assessed by provision and analysis of suitable financial records which either provide evidence that interest payments can be met when and as they fall due or interest for the loan term will be capitalised within the loan amount;
- when the loan is renewed as a result of it exceeding its initial term, the loan will be reassessed as if it was a new loan, including obtaining an updated valuation of the secured property;
- security properties will consist of residential, commercial, retail and industrial properties in Queensland and Northern NSW. All loans made by the Fund are secured by registered first mortgage over real property. Security properties need not be income producing; and
- there is currently no intention for the Fund to invest in other unlisted mortgage schemes.

Lending criteria

The GPS lending criteria for the Fund includes the following:

- all loans made by the Fund are secured by registered first mortgage over real property;
- loans can be secured over completed properties or for construction or property development;
- at a minimum each borrower must verify that the ongoing obligations of the loan can be serviced and provide a statement of assets and liabilities;
- normally the loan will be on an interest only basis with loan interest payable periodically in arrears including for the term of the loan. Loans can be written where the interest and certain contingency amounts are capitalised and added to the loan amount. Under these circumstances, the total loan approved including capitalised interest and contingency amount must be within the loan to valuation ratio restrictions;
- the initial loan term will be no longer than 2 years; and
- the valuation of the secured property satisfies the criteria prescribed by the valuation policy.

The policy limits as a maximum percentage of the whole portfolio are as follows:

Limits for secured property types:

- Residential 100%
- Commercial 40%
- Retail 40%
- Industrial 40%

Limits for location of secured property:

- Queensland 100%
- New South Wales 40%

Loan to valuation ratios

As at the date of this PDS, the Fund maximum loan to valuation ratio ("LVR") limit is 80%. See ASIC Benchmark 6 on page 10.

Valuation policy

In determining the value of the relevant secured property, GPS will rely on a valuation report from a professional panel valuer made within the 3 months before the loan is made. The valuation is to be based on the then current market value of the property (the "as is" value). The valuation must deal with all the matters specified in the valuation instruction as applicable, including but not limited to consideration of:

- comparable sales;
- matters affecting the title and zoning of the property;
- saleability of the property;
- suitability of the property for mortgage security purposes; and
- relevant valuation industry standards and codes.

GPS will instruct the valuer for each particular property from its panel of valuers. The valuer must be registered with an appropriate state/territory valuer body or registration scheme, where one exists.

Why do people borrow from GPS?

GPS is able to offer loan products that compete directly with those on offer from other property based lenders based on an overriding market principal of price and service. These translate to time savings and a high level of certainty for borrowers where time is money. GPS borrowers are predominantly property professionals who value the ability of being able to talk directly with and gain advice from the decision makers. Those decision makers are not only skilled property lenders but often experienced property developers in their own right.

GPS endeavours to add value to each borrower's transaction through its industry knowledge, contacts and experience.

GPS operates in a "niche" lending market which is typified by property loans that are too large for the local bank manager but too small for a bank's property section.

Property development is a very complex combination of many separate, though inter related activities. GPS borrowers gain great comfort in knowing that their application is being managed directly by the people they originally negotiated with and that they can talk with throughout the entire loan application and management process. Being a relatively low volume transaction lender, the GPS process maintains focus on managing the key areas of risk associated with each individual project. This enables loan terms and conditions to be tailored to best manage the lending risk for GPS Investors while also establishing a set of loan conditions that are acceptable to the borrower.

Note 7 Minimum Transaction & Balance Requirements

The minimum initial investment amount is \$5,000. You must maintain a minimum of \$1,000 at all times.

Your investment will start when your completed Application Form is processed and your cheque is cleared. If your application is incomplete GPS will contact you to rectify it.

Additional investments

Additional investments can be made into the Fund at any time. The minimum additional investment amount is \$1,000 except for the reinvestment of Distributions.

Unitholders can make additional investments using an Additional Investment Form available from www.gpsinvest.com.au or by calling the GPS Investor Services team on 1800 999 109. Phone calls with your instructions cannot be accepted, nor can emails that don't include a scan of the completed Additional Investment Form.

The Additional Investment Form should include the account name, the Unitholder number (if known) intended investment amount and be signed by the appropriate signatories. Please return to GPS by:

- Mailing the original to: GPS Investment Fund Limited, reply Paid 2252, Brisbane QLD 4001 (or GPO Box 2252, Brisbane QLD 4001, Australia)
- Scanning the Additional Investment Form and emailing it to: info@gpsinvest.com.au, and mailing the original to GPS, or
- Faxing it to: (07) 3876 8661, and mailing the original to GPS.

Deposit options for additional investments:

- Bpay; or
- Cheque payable to "GPS Investment Fund Limited - GPS Invest Pooled Fund".

Note 8 Unit Pricing

Units have a floating Unit price. Unit prices are calculated by dividing the value of the Fund net assets by the number of Units on issue, less an allowance for transaction costs which as per this PDS are nil (refer Note 13 – Fees and Charges).

GPS pays Unitholders Distributions as described in this PDS and in doing so aims to maintain a constant price of \$1.00 per Unit.

It is possible that the Unit price may fall below \$1.00 per Unit due to credit losses in the loan portfolio (or the provision for them).

Note 9 Cooling-off Rights

Cooling-off rights do not apply.

You should discuss any questions you may have about cooling-off rights with your financial adviser or our Investor Accounts team on 1800 999 109.

Note 10 Distributions

Where GPS determines there is an amount available for Distribution the Fund will pay a Distribution out of income received during a month within 10 business days after the end of the month for which it is calculated.

In addition to income that GPS determines is distributable, the Constitution allows GPS to distribute any additional amount, including capital.

The payment will be made by direct deposit into each Unitholder's nominated account. If no Distribution payment instruction has been received, the Distribution will be reinvested automatically as additional Units in the Fund to the value of the whole dollar amount of the Distribution.

Each Unitholder's Distribution entitlement (if any) will be declared monthly in arrears, in accordance with the Constitution, based on:

- the target rate of return offered by the Fund on its web-site: www.gpsinvest.com.au;
- the number of Units held;
- the interest payments made by the borrowers under the loan;
- the period for which they were held; and
- the amount of the Fund distributable income for that Distribution period.

Although the Fund may indicate an expected Distribution return or amount, the Distribution rate may vary from period to period depending on the performance of the Fund and the borrowers meeting their obligations under their loans.

Note 11 Investment Transfers

You may transfer your investment to another person at any time subject to their acceptance by GPS and their identification verification. Currently the fee payable for a transfer of investment is up to \$165.00 (inc GST) payable to the Fund. GPS may change this fee at any time, subject to 30 days prior notice if such change is an increase. GPS must receive written notice of the transfer and the transfer fee and all relevant Application Forms and other forms from the transferee before the transfer can be completed. Please contact the GPS Investor Accounts team on 1800 999 109 for the appropriate documentation.

Transfers of Units may have taxation consequences such as but not limited to the payment of stamp duty. You should seek your own tax advice.

Note 12 Withdrawals Rights

The Fund operates as a non-liquid managed investment scheme and cannot guarantee the offer or payment of withdrawals at any particular time. It is GPS's objective that withdrawal offers will be made on a periodic basis (usually quarterly on 28 February, 31 May, 31 August and 30 November) in accordance with the Act.

Withdrawal offers made by GPS (if any) will be made in writing to all Unitholders, will provide a Withdrawal Request Form and will specify:

- the period during which the offer will remain open which will be at least 21 days after the offer is made (the "Offer Period");
- the assets that will be used to satisfy withdrawal requests;
- the amount of money that is expected to be available when those assets are converted into cash; and
- the method of dealing with withdrawal requests if the money available is insufficient to satisfy all requests.

Unitholders may request written withdrawal of part or all of their eligible Units by giving a notice that must be received no later than 5.00pm AEST on the last business day of the Offer Period. As required by the Act the withdrawal requests must be satisfied within 21 days of the end of the Offer Period.

No fee is payable for a withdrawal.

Note: No withdrawals can be made outside of a periodic Offer Period.

If the Fund suffers a loss of capital in its loan portfolio, there may be a reduction in value of the assets in the Fund on which the withdrawal value is based. This may result in a reduced withdrawal price payable to the Unitholders in the Fund whose withdrawal is being made at the time.

Oversubscribed Withdrawal Requests

The method for processing oversubscribed withdrawal requests in the event a lump sum is offered, is specified in section 601KD of the Act by using the following formula:

$A \times B / C$, where:

A = Amount of money available

B = Amount a Unitholder requested to withdraw

C = Total of all amounts Unitholders request to withdraw

For example, if there is \$3 million available to meet withdrawal requests and a Unitholder (Mr Jones) requests to withdraw an amount of \$10,000, and if Unitholders lodge withdrawal requests totalling \$5 million, then Mr Jones would receive three fifths of his request (i.e. \$6,000).

This is an example only and the actual results will depend on the particular circumstances of any offer and the Unitholders own particular circumstances. GPS does not guarantee a periodic withdrawal offer will be made, or an amount of \$3 million (or any other amount) will be available under any offer.

Note 13 Fees and Charges

Consumer advisory warning

The following consumer advisory warning is required under Australian law in the form that appears below, to alert Unitholders to the importance of value for money, the compounding effect of fees and costs, and their impact over time. The example given is not intended to represent an investment in the Fund offered through this PDS.

DID YOU KNOW?

Small differences in both investment performance and fees 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 fees based on your own circumstances, the Australian Securities & Investments Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

* There are no contribution fees for the Fund offered through this PDS.

Fees and other costs

The following table sets out the fees and costs that you may be charged by the Fund. These fees and costs may be deducted from your investment, the investment returns or from the Fund assets as a whole. You should read all the information about fees and charges because it is important to understand their impact on your investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the fund		
<i>Establishment fee:</i> The fee to open your investment.	Nil	Not Applicable
<i>Contribution fee:</i> The fee on each amount contributed to your investment.	Nil	Not Applicable
<i>Withdrawal fee:</i> The fee on each amount withdrawn from your investment.	Nil	Not Applicable
<i>Termination fee:</i> The fee to close your investment.	Nil	Not Applicable
Management costs		
The fees and costs for managing your investment. This fee includes an amount payable to an adviser (if applicable).	3.75% to 5.5% (incl GST) (est) of funds under management.	Generally deducted from income. Expenses are paid out of the assets of the Fund when and due payable. Management fees are paid monthly in arrears out of the assets of the Fund. NOTE: Under the Fund's Constitution Management Fees cannot exceed 5.5% (incl GST) of the assets of the Fund.
Service fees		
<i>Transfer fee:</i> The fee for transferring your investment.	\$165.00 (incl GST)	By cheque at the time of requesting the transfer. Transfers may also have stamp duty consequences.

Example of annual fees and costs for managed investment products

This table gives an example of how the fees and costs in the balanced investment option for this product can affect your investment over a 1 year period. You should use this table to compare to compare this product with other managed investment products.

EXAMPLE – GPS Invest Pooled Fund		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	3.75%-5.5%	And for every \$50,000 you have in the fund you will be charged between \$1,875 and \$2,750 each year.
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 from: \$1,875 to \$3,025 What it costs you will depend on the performance of the Fund and when you contributed the additional \$5,000.

All fees and costs quoted in this PDS are inclusive of GST (if applicable).

GPS will give Unitholders at least 30 days prior notice of any change to the management fee or the introduction of any new fee permitted under the Constitution.

Loan Application Fees

Application Fees for loans issued by the Fund are paid by the borrowers to GPS Managed Investments Pty Ltd, a related party. These fees may be capitalised into the loan and are included in the Management Costs figures given above.

Reimbursement of Expenses

If GPS ceases to be the Responsible Entity for the Fund, it will be entitled to receive from the assets of the Fund the amount of any Fund expenses that it has incurred but which have not been fully reimbursed through the management fee. The costs of holding Unitholder meetings, defending or bringing litigation and other abnormal expenses may be charged directly to the Fund as abnormal expenses not reimbursed from the GPS management fee. GPS does not expect any abnormal expenses to be incurred during the life of this PDS.

Buy / sell spreads and Transaction costs

GPS does not currently charge buy/sell spreads for the Fund or Transaction Costs when Unitholders buy or sell Units in the Fund.

Adviser remuneration

GPS may pay commission to your financial adviser for an investment made in the Fund through that adviser. GPS will pay these commissions from the resources of GPS and at

its sole discretion. Accordingly, these commission payments are not a cost to the Fund or you. Your financial adviser may rebate some or all of their upfront commission to you (net of GST), by indicating their intention to do so on the application form. Any rebated upfront commission may be used to buy extra Units in the Fund (where applicable) for you to the value of the whole dollar amount of the rebated amount. Your adviser will need to select this option in the application form.

The amount of upfront commission payable to your financial adviser will not exceed 1.1% p.a. (inclusive of GST) of the amount invested. Accordingly, for an investment of \$1,000 and using the maximum rate of 1.1%, the commission would be \$11. The maximum amount your financial adviser will rebate to you will be \$10, being the commission amount net of GST.

If applied to buy extra Units in the Fund, this would mean an extra 10 Units using the issue price of \$1.00 per Unit. In addition, the amount of trail commission payable to your financial adviser will not exceed 0.55% p.a. (inclusive of GST) of the amount of your investment from time to time. Please refer to any statement of advice given to you by your adviser for any additional fees and costs they may charge.

GPS reserves the right to introduce new commission payment structures and to adjust commission payments or rebated commission amounts where GPS believes that inappropriate client account structuring or investment, withdrawal and reinvestment activity is taking place. If such changes result in your returns being affected by the changes, GPS would give you 30 days prior notice.

Wholesale Clients

GPS may negotiate a rebate of part of the management fees with Wholesale Investors. This is generally because Wholesale Investors invest substantial amounts of money. GPS cannot negotiate individual fee arrangements with Investors who are not Wholesale Investors.

The differential in fees which will be payable by Wholesale Investors will be calculated based upon the amount of funds the Wholesale Investor has invested. Any reduction in fees will be deducted from GPS's management fee and not from the assets of the Fund. .

Note 14 Risks of Investing

All investments are subject to a degree of risk, any one or more of which may result in a loss of earnings or the amount invested. It is important that you understand and are comfortable with the risks that may affect your investment. The list below explains the material risks that may affect your investment in the Fund.

Loan default

Loan defaults occur when a borrower does not meet a fundamental obligation under the loan arrangement, such as the payment of interest or repayment of the loan by the due date.

Credit loss

Credit losses occur when the proceeds of sale of the property mortgaged as security for a loan are less than the amount owed under the mortgage. This may be as a result of:

- The valuation relied on when making the lending decision not accurately reflecting the value of the property at the time it is sold; or
- Changes in property market conditions.

Concentration risk

During the early stages of the growth of the Fund, the pool of mortgages in which the Fund invests will be limited. In this instance there is a higher risk that if the borrower defaults on one of these loans you may suffer a more significant loss.

Insurance risk

There is a risk that the insurance over the secured property is inadequate. This may affect the amount the Fund recovers if the secured property is damaged.

Capitalisation of interest payments risk

Most loans made by the Fund may allow the borrower to capitalise interest. This applies in particular to construction and development loans where interest is capitalised during construction.

Documentation risk

This is the risk that a loan cannot be enforced as it was intended because of a deficiency in loan and mortgage documentation.

New case law and statute risk

As the law is continually evolving, there is a risk that new case law and statutes may adversely affect the way in which an existing loan may be managed and rights enforced.

Interest rate risk

Changes in market interest rates may affect the rate of interest that the Fund may be able to earn on future loans, and this may affect the Distribution rate and overall performance of the Fund. There could be a lost opportunity cost where market interest rates increase and the Fund is locked into a fixed interest rate payable by the borrower.

Diversification risk

If the Fund investments are not sufficiently diversified, failure of one or a small number of investments may have a material financial impact on the Fund.

These mortgage loan portfolio risks may affect the Distribution rate payable by the Fund or the withdrawal value of Units in the Fund from time to time. The investment strategy for the Fund is intended to minimise in practical ways the risk of loan portfolio loss.

Valuation risk

Valuations are provided by an approved valuer and are an opinion of the market value of a mortgaged property. Valuations can vary between different valuers and also according to fluctuations in the market and demand for the property. For this reason GPS will only accept valuations that are performed within 3 months of the loan being approved. Even this does not guarantee the accuracy of the valuation at the time the loan is made.

If a valuer fails to accurately assess the market value of a property or there is a severe downturn in property markets, the proceeds of sale for a secured property may be less than the principal and interest outstanding under the loan. This may result in both a loss of income and capital for Investors.

No guarantee can be given that the valuation amount will be obtained if a property is sold by GPS as mortgagee in possession.

A change in market conditions and general real estate fluctuations will affect the end value of a mortgaged property. As a result, valuations can also vary between the time that they are made and the date upon which a sale by mortgagee

or otherwise is effected.

Illiquid nature of underlying security

The Fund invests in mortgages which are a non-liquid style of investment that are not capable of being easily traded.

Repayment of funds invested in the Fund is dependant on borrowers meeting their repayment obligations on time and in full.

The size and timing of withdrawal offers is dependant on the performance of the Fund and the borrowers meeting their contracted obligations.

Capitalisation of interest

In some cases, GPS may allow borrowers to capitalise interest, which means that interest payments are deducted from the initial loan amount and held by GPS for distribution to the Investors in the Fund. With capitalised loans, there is a risk that the borrower will have insufficient funds available to repay the principal amount when the loan matures or alternatively make further interest payments if the loan term exceeds its maturity date.

Development & construction loans

GPS will lend Fund money on development and construction properties. The risks associated with these types of loans is higher and include:

- escalation in the construction cost beyond that provided for by the borrower;
- delays in completion of construction may expose borrowers to additional expenses including interest repayments which were not appropriately provisioned for by the borrower; and
- most development and construction projects require planning approval from relevant authorities and there is a risk that such approvals may not be obtained within expected timeframes, granted in the form anticipated or not granted at all.

GPS have put into place specific procedures to monitor pre and post settlement conditions to ensure that the Fund's security position is maintained and risk is mitigated.

Specifically, and in addition to the usual mortgage lending criteria adopted by GPS where appropriate, GPS will ensure that:

- no advances for construction finance are made without evidence of development and building approvals;
- there is close management of progress draws to ensure appropriate funds remain to complete the development;
- construction progress inspections and reports are made by appropriately qualified person/s before further advances are

approved; and

- where appropriate, quantity surveyor's certificates are obtained.

Profitability risk

There is a risk of fluctuations in profit being dependent upon a number of variable factors including but not limited to defaults, credit loss and the cost of asset recovery.

Gearing risk

If the Fund borrows money, it may give the financier security over some or all of the Fund assets. If the Fund defaults on its obligations to the financier, then the financier would have recourse to those assets in priority to Investors. At the date of this PDS the Fund has not borrowed. While borrowing has the potential to increase the gains from investing, it may also magnify Investor losses.

Market risk

There is a risk that changes in economic, technological or political conditions or market sentiment may result in the value of Fund investments falling, thereby causing the value of Units in the Fund to fall below the value at which they were purchased. Adverse market movements may also impact on the cash flow of the Fund where assets cannot be realised at prices which would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market. Also, some events may result in a downturn in economic conditions, which adversely impacts business in general.

These events may affect the ability of the Fund to lend money and/or the capacity of borrowers to service or repay their loans. The investment strategy for the Fund described in this PDS is intended to minimise in practical ways the risk of capital loss from the mortgages made by the Fund.

Regulatory risk

Investment performance may be adversely affected by changes in government policies (including taxation), regulations and laws, or changes in generally accepted accounting practices or valuation methods. Such changes could adversely impact the Funds and/or borrowers or investments of the Fund.

Fund specific risk

There is a risk that the value of the Units in the Fund falls because of unexpected changes in Fund management, operations or its environment or that the Fund terminates.

Further, investing in a managed fund is not like investing directly in the underlying assets. A managed fund takes into consideration all applications and withdrawals made by all

Unitholders. This may result in the performance of the Fund being different from the performance that might have been achieved through a direct investment in those same assets.

The Fund is reliant upon the performance and maintenance of the Responsible Entity and key personnel.

Note 15 Tax Considerations

Acquiring, holding and disposing of Units or investments in managed investment schemes can have important taxation implications for Unitholders. The following is a general summary of current tax legislation applicable to Australian resident taxpayers, is provided as general information only and should not be relied upon. This information is general in nature because the tax implications for each Unitholder may vary depending on their particular circumstances. **Accordingly as tax requirements are complex you should obtain professional advice on your circumstances.**

The Fund does not pay income tax. Unitholders are responsible for declaring their Distributions from the Fund.

Where you are an Australian resident for tax purposes, you will need to include in your taxable income for the year any taxable income arising to you even if it is reinvested or if payment is not received in that year. It is not expected that you will receive any distributions of net capital gains. You will be given an annual tax statement setting out information to assist with this process.

Where you are a non-resident of Australia for taxation purposes, the applicable withholding tax will be deducted from each Distribution at the time of payment.

If the Fund is in a tax loss position for an income year the loss cannot be distributed to Unitholders. The loss will be quarantined in the Fund for recoupment against taxable income arising in future years (subject to satisfaction of certain rules governing recoupment of trust losses).

Providing a tax file number ("TFN") or Australian Business Number ("ABN")

You may choose to quote your TFN or ABN (if applicable) or claim exemption in relation to your investment in the Fund by completing the Tax File Number or Australian Business Number notification section of the Application Form accompanying this PDS. The law strictly regulates how GPS may use TFNs and ABNs.

If you choose not to provide your TFN or ABN or claim an exemption, tax at the highest personal tax rate (plus the Medicare levy) must be deducted from each Distribution at the time of payment.

GST

The GST disclosures in this PDS are of a general nature only. GST is not payable on the issue of Units to you, Distributions to you or withdrawal of your Units. You do not need to be registered for GST to invest in the Fund. Fees and expenses payable in respect of the management of the Fund are subject to GST.

Disposal of Units or investments in the Fund

Unitholders should seek their own tax advice regarding disposal or transfer of their Units or investments in the Fund.

Note 16 Complaints and Dispute Resolution

Complaints handling

Any Unitholder who is dissatisfied with the service provided by GPS in relation to the Fund may complain to GPS via the contact details as disclosed in this PDS. A complaints committee handles all complaints and GPS is a member of Credit Ombudsman Service Limited ("COSL"), an external complaints resolution scheme approved by ASIC to handle any complaints that may have not been able to be otherwise resolved. Contact details for COSL are outlined in the Corporate Directory.

Note 17 Relevant Documents

This section contains a description of documents which are significant to investors, together with a summary of the more important details contained in these documents not otherwise detailed elsewhere in the PDS. These documents may be inspected at the office of GPS (free of charge) during normal business hours or a copy will be provided for a small charge to cover the cost of copying on request.

Constitution

The following is a summary only of certain aspects of the Constitution which governs the activities of the Fund, and together with the Corporations Act, specifies the rights, duties and obligations of GPS and investors, including:

- the rights, interests and liabilities of Unitholders;
- the duties and obligations of GPS as the Responsible Entity;
- investment, valuation and borrowing powers of GPS;
- fees and recoverable expenses;

- Unit issue and withdrawal procedures;
- convening and the conduct of Unitholder meetings;
- the duration and termination of the Fund; and
- rights to distributions.

The Constitution of the Fund may be modified, repealed or replaced with a new Constitution by special resolution of the Unitholders or by GPS if GPS reasonably considers the change will not adversely affect Unitholders' rights.

Custody Agreement

GPS has appointed Perpetual as a third party custodian pursuant to a Custody Agreement to hold all Fund property.

In accordance with proper instructions from GPS, the Custodian's powers include the following powers:

- to acquire or dispose of assets;
- to pay, or cause to be paid, moneys out of the assets as directed by GPS;
- to hold assets in a clearing house; and
- to do any other act properly instructed by GPS.

The Custodian is not liable in any way to the holder of any Unit, security, or interest in the Fund or other person who holds a lien or charge over such unit, security or interest. The Custodian is entitled to fees of 0.025% p.a. of the gross value of assets held in the Fund, with a minimum of \$25,000 per annum plus transaction costs.

Compliance Plan

The Compliance Plan sets out the key systems, processes and measures GPS will apply to ensure compliance with its AFSL and the requirements of:

- The Act and the Corporations Regulations 2001 (Cth) (Regs);
- The Constitution;
- Industry standards relevant to the Fund (including ASIC requirements);
- Internal organisational standards and culture; and
- Any disclosure documents.

The Compliance Plan is a "how to" document, providing detail on:

- The obligations which must be met by GPS;
- What measures or procedures are in place to comply with these obligations;
- How compliance with those measures and procedures will be monitored; and
- How those measures are updated.

The Compliance Plan also details the risks of not complying with these obligations, and how breaches are to be reported and addressed. The description of measures in place allows

Accountable Officers to identify what procedures they are responsible for monitoring and how often they have to report on compliance or otherwise with those measures. The Compliance Plan is integrated into the operations of the Fund and is mandatory.

The Compliance Plan is audited annually by the Fund's independent Compliance Plan Auditor.

Services and Access to Business Premises Agreement

This agreement between GPS and GPS Managed Investments Pty Ltd provides GPS with the services to run the Fund. These services include but are not limited to the following:

- access to appropriate premises;
- hiring and supervision of staff;
- access to equipment and furniture;
- provision of office supplies and utilities; and
- professional services including legal and accounting services.

The fees payable under this agreement are paid by GPS from its management fee and from the application fees paid by borrowers.

Other things you should know

Compliance Systems

The composition of the Board of GPS includes half of the Directors being independent of GPS and meeting the requirements as external Directors under the Act. Accordingly the Act provides that a compliance committee is not required to be established. The Board has supervised the preparation of the Compliance Plan and signed and adopted the Compliance Plan.

Disclosure of related party interests

GPS, its Directors, officers and other related parties may hold Units in the Fund from time to time. Where this occurs the investments made by those parties will always be on the same terms for any other Unitholder in the Fund. The above related parties are not eligible for a loan from the Fund.

Application Fees payable by borrowers for loans issued by the Fund are paid to GPS Managed Investments Pty Ltd, a related party.

Continuous disclosure

The Fund anticipates having in excess of 100 Investors and becoming an unlisted disclosing entity for the purposes of the Act. As such the Fund will be subject to regular reporting and disclosure obligations. Any continuous disclosures which are required to be made will be available on the GPS website at www.gpsinvest.com.au as soon as practicable after becoming aware of the matter.

In addition, updates on the RG45 benchmarks will be on the GPS website after the end of June and December in conjunction with the issue of the financial statements for the Fund. Information relating to the Fund that is not materially adverse information may change and be updated from time to time. Updated information may be obtained electronically from the GPS website at www.gpsinvest.com.au or by contacting the GPS Investor Services team on 1800 999 109. A paper copy of any updated information is available on request at no charge.

If requested, GPS will provide a copy of the annual financial report for the Fund most recently lodged with ASIC, and any half year financial report and continuous disclosure notices.

GPS reserves the right to change this PDS. Notice will be provided before or, as soon as practicable after the change occurs, and in any event will be in accordance with the Act. GPS reserves the right at any time to withdraw the offer or invitation to apply for investment in the Fund and withdraw this PDS. No person is authorised to make any representation about investment opportunities in connection with the Fund, unless the representation is set out in this PDS.

Liability

The liability of Unitholders is generally limited to the value of their Units. Unitholders are not required to personally indemnify GPS if there is a deficiency in the net asset value of the Fund or to meet from their own assets the claim of any creditor of GPS or the Fund. The recourse of both GPS and any creditors is limited to the assets of the Fund. However, due to the uncertainty of the law the ultimate liability of the Unitholders remains to be fully tested in the courts.

Labour standards, environmental, social and ethical considerations

GPS as Responsible Entity of the Fund does not explicitly take into account labour standards, environmental, social or ethical considerations when making investment decisions on behalf of the Fund.

Privacy

Protecting the personal information of Investors and ensuring their privacy is important to GPS.

GPS collects personal information so that it may issue interests to Unitholders and provide them with information about the products and services they request, as well as information on matters which GPS feels may be of interest to them.

In addition, in some cases, the law requires GPS to collect personal information.

GPS may disclose personal information to other parties for certain purposes such as meeting statutory requirements, undertaking audits, market research and obtaining information technology support.

Unitholder's personal information may also be used by GPS to administer, monitor and evaluate products and services, gather, aggregate and support statistical information, assist Unitholders with any queries and take measures to detect and prevent fraud and other illegal activity. GPS may also be allowed or obliged to disclose information by law and to report on credential or risk management matters.

If Unitholders use a financial adviser who recommended their investment in the Fund, then details of their investment will be provided to those financial advisers.

GPS aims to ensure that the personal information it retains about Unitholders is accurate, complete and up-to-date.

If Unitholders provide GPS with incomplete or inaccurate information, GPS may not be able to provide those Unitholders with the products and services they are seeking. If Unitholders have concerns about the completeness or accuracy of the information GPS has about them or they would like to access or amend their information, they should call GPS on 1800 999 109 or send an email to info@gpsinvest.com.au.

To obtain a copy of the GPS privacy policy, Unitholders can visit the GPS web-site at www.gpsinvest.com.au or call GPS to obtain a copy free of charge.

Unitholders will be taken to have agreed to the collection, use and disclosure of their personal information as set out above when they make an investment with GPS.

Directors' statement

The Directors of GPS have consented to and authorise the issue of this PDS.

The Fund is not a bank deposit

The Fund is not authorised under the *Banking Act 1959* and is not supervised by the Australian Prudential Regulatory Authority. The depositor protection provisions in Section 13A of the *Banking Act 1959* and the Federal Government deposit guarantee scheme do not cover any investment in the Fund.

As the Fund will be a disclosing entity under the *Banking Act 1959* it will be subject to regular

reporting and disclosure obligations. Copies of the Fund documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

Consents

The following have given and not withdrawn their written consent prior to the issue of this PDS to be named in this PDS in the form and context in which it is named. None of the following caused or authorised the issue of this PDS or take any responsibility for its contents:

- Perpetual Corporate Trust Limited
- McCullough Robertson
- McGillivrays Solicitors
- Whitehills Business Advisers and Chartered Accountants
- Mitchell Brandtman
- Savills (Qld) Pty Ltd
- Patrick Hoiberg Chartered Accountant

McCullough Robertson Lawyers did not perform any verification or due diligence functions with respect to the PDS, the Fund or GPS.

There is no guarantee that the Fund's Objectives will be achieved. The Fund's Objectives are not intended to be a forecast. They are merely an indication of what the Fund aims to achieve over the medium to long term having regard to previous experience in mortgage loans and fixed interest securities, and the broader market trends. Returns are not guaranteed.

Words with special meanings

Act	Corporations Act 2001 (Cth)
AEST	Australian Eastern Standard Time
AFSL	Australian Financial Services Licence
ARSN	Australian Registered Scheme Number
ASIC	Australian Securities and Investments Commission
Constitution	The Constitution of the Fund dated 7 February 2011, as amended from time to time
Custodian	Perpetual Corporate Trust Limited ACN 000 341 533
Distribution	Income earned by the Fund (less expenses and fees) that GPS determines is distributable, plus any additional amount, including capital, that GPS determines is

distributable, which is paid to Investors.

Eligible Units

Units held on the date of the close of the withdrawal offer

Fund GPS Invest Pooled Fund ARSN 149 257 410

GST Goods and Services Tax

GPS GPS Investment Fund Limited
ACN 145 378 383, AFL 383080

GPS Group

A group of companies founded by Managing Director, Richard Woodhead, of which GPS Investment Fund Limited is a part.

Investment Manager

GPS Investment Fund Limited
ACN 145 378 383

Investor A person holding Units in the Fund

LVR Loan-to-Valuation Ratio

Month Whole calendar month

NSW New South Wales

p.a. per annum

PDS Product Disclosure Statement

Perpetual Perpetual Corporate Trust Limited
ACN 000 341 533

Qld Queensland

Quarterly date

Each 28 February, 31 May, 31 August and 30 November

Responsible Entity

GPS Investment Fund Limited
ACN 145 378 383

Scheme The Fund

TFN Tax file number issued by the Australian Taxation Office; each taxpayer has a separate number

Total value of the Fund assets

Aggregate value of all assets in the Fund before deduction of any liabilities (also described as gross value of the fund's assets)

Unit A unit in the Fund

Unitholder A person holding units in the Fund

Wholesale Investor

Has the meaning of wholesale client as provided in section 761G of the Act

How to apply

New Investments

Please read this PDS in its entirety before investing. If you need help completing your application, please call the GPS Investor Services team on 1800 999 109.

Step 1: Completing your application

- Complete the Application Form that applies to you as type of Unitholder:
 - Form 1 for an individual or individuals; or
 - Form 2 for a company, trust (including superannuation fund) or partnership
- Please print in block letters using a black or blue pen
- **Partnerships please note:** Applications by partnerships must be made in the names of all the partners and signed by each of them
- **Trustees please note:** Applications by trusts (including superannuation funds and investments for another person) must be in the names of all the trustees and signed by each of them. The full name of each personal trustee and corporate trustee must be completed. The fund will only recognise the trustees as the owners of the investment. Please note that a certified copy of the Trust Deed is required to accompany your application.
- **Joint Investors please note:** You will be treated as joint tenants

Step 2: Signing the Application Forms

The application must be signed by all relevant parties as indicated in the Application Form. The Fund is unable to accept unsigned applications. If the application is signed by the authorised attorney of a Unitholder, a certified copy of the power of attorney or other authorising document must be attached.

Step 3: Attach all relevant documentation

The Anti-Money Laundering & Counter-Terrorism Financing Act 2006 requires GPS to identify you and verify your identity when you acquire Units or investments in the Fund. As a result, you will need to provide certified copies of relevant identification documents(s) for GPS to verify your identity. The documentation required is specified in the relevant Application Form.

What is an acceptable certified copy of a document?

An acceptable certified copy of a document that has been certified as a true copy of the original by one of the following:

- a person enrolled on the roll of a Supreme Court or the High Court as a legal practitioner
- a judge, registrar or deputy registrar of a

- court
- a magistrate
- a chief executive officer of a Commonwealth court
- a justice of the peace
- a notary public
- a police officer
- an agent of Australia Post in charge of supplying postal services to the public
- a permanent employee of Australia Post with 2 years continuous service employed in supplying postal services to the public
- an Australian consular or diplomatic officer
- an officer with 2 years continuous service with one or more financial institutions
- a finance company officer with 2 years continuous service with one or more finance companies
- an officer or authorised representative of an AFSL holder with 2 years continuous service
- a member of the Institute of Chartered Accountants in Australia, CPA Australia or National Institute of Accountants with 2 years continuous membership

Please note: If you wish to lodge your application in person GPS can certify your identity documents. Please contact the GPS Investor Services team on 1800 999 109 to arrange an appointment. GPS cannot accept certified copies by fax or email and must receive the original Application Form and all relevant documents personally or by mail.

Step 4: Send your application and funds

Only original applications with actual signatures will be accepted. Please send your application to:

- GPS Investment Fund Limited, Reply Paid 2252, Brisbane QLD 4001
- Note:** No postage stamp required if posted within Australia

Or deliver to:

- Level 11, Sherwood House, 39 Sherwood Road, TOOWONG QLD 4066
- Phone: 1800 999 109

Please make your cheque payable to **GPS Investment Fund Limited - GPS Invest Pooled Fund**.

Additional Investments

Unitholders in the Fund can make additional investments of \$1,000 or more by completing an Additional Investment Form and returning it to GPS.

Refer page 13 for details.