

Tasmanian Perpetual Select Mortgage Fund

Product Disclosure Statement 9th March 2009



**Tasmanian
Perpetual
Trustees**

Tasmanian Perpetual Trustees is a major Tasmanian based provider of financial products and services. Established in 1887, Tasmanian Perpetual Trustees is a Trustee Company authorised under the *Trustee Companies Act 1953*.

Additionally, Tasmanian Perpetual Trustees provides Estate and Financial Planning and Trustee services throughout Tasmania.

Tasmanian Perpetual Trustees is distinguished by our commitment to personal service.

This Product Disclosure Statement (PDS) is dated 9th March 2009. The issue of this PDS is authorised by Tasmanian Perpetual Trustees Limited ABN 97 009 475 629 (Tasmanian Perpetual Trustees). This PDS relates to the Tasmanian Perpetual Select Mortgage Fund ARSN 089 139 382 (the Fund).

In preparing this PDS Tasmanian Perpetual Trustees did not take into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, you should consider (with or without the assistance of an adviser) whether the information in this document is appropriate for your needs, objectives and circumstances.

Please read the whole of this PDS carefully before making a decision on whether to invest.

This PDS contains general information only regarding the Fund and does not constitute financial product advice.

Tasmanian Perpetual Trustees does not guarantee the repayment of capital or the performance of the Fund offered in this PDS or any particular rates of return from the Fund.

The allotment of interests to which this PDS relates will only be issued on receipt of a completed application form issued with this PDS.

Unless otherwise indicated all statements and assertions in this PDS are made by Tasmanian Perpetual Trustees.

A reference to "we" or "us" or "our" or "the Responsible Entity" means Tasmanian Perpetual Trustees.

Investors should keep a copy of this PDS and any information that updates the PDS for future reference. A paper or electronic copy of this PDS is available from Tasmanian Perpetual Trustees free of charge.

THE OFFER TO WHICH THIS PDS RELATES IS ONLY AVAILABLE TO INVESTORS RECEIVING A COPY OF THIS PDS WITHIN AUSTRALIA.

Tasmanian Perpetual Trustees holds Australian Financial Services Licence (AFSL) Number 234630

How to read this PDS

Throughout the PDS you will see words that are underlined. These words are technical investment terms and to help you, they are defined in the Glossary on page 5.

Investment Information

The Fund at a glance	2
About investing	3
Glossary of terms	5
<u>ASIC</u> Benchmarking	6
Tasmanian Perpetual Select Mortgage Fund	8

General Information

Fees and other costs	16
Transaction information	20
Additional information	24

Forms

About the Application Form	29
Investment Application Forms	31
Reference from an Acceptable Referee (s.21)	35

The Fund at a glance

Fund Name	Tasmanian Perpetual Select Mortgage Fund
Major Asset Class	Mortgages
Suggested Investment Timeframes	At least 12 months
Income Distribution Frequency	Quarterly
Established Since	1999
Minimum Investment	\$25,000
Redemption Notice Period	7 days
Redemption Cut-off Time	3pm
Unitised	No
Investment Objective	To maintain the investment capital and achieve a return (before fees) which is competitive with comparable funds that have similar <u>risk</u> characteristics.
Relative Risk Level (1 is lowest and 5 is highest)	3
Return Type	Income only

About investing

Investment: an asset acquired for the purpose of producing income and/or capital gain for its owners.

What is a managed fund?

A managed fund pools together the money of many investors. These pools of money are then invested in the asset classes determined by the investment objectives established for each fund.

What are the advantages of managed funds?

Managed funds enable retail investors to access assets without having to invest directly in those assets. This can have some distinct advantages including:

- investments are managed by a professional fund manager;
- investors do not need to access research information about a particular company or asset or have the specialist knowledge to analyse and understand it;
- access to assets not generally available to retail investors;
- investors can achieve diversification with a small outlay across a range of assets through a single fund;
- fund managers look after the administration and day-to-day management of the assets; and
- investors can use regular savings and the re-investment of income to build up investments over time.

What are the disadvantages of managed funds?

Managed funds also have some disadvantages to direct investment including:

- additional fees associated with professional funds management and administration; and
- investors can effectively select the type of assets invested in through their choice of fund, but don't have complete control over the exact assets the fund invests in.

How do I get returns from managed funds?

Returns from managed funds can be delivered in the form of both capital growth and income returns.

Capital growth occurs when there is a price increase for the underlying assets that the fund has invested in.

When the underlying assets generate income (such as dividends or interest) the Fund pays it to investors in the form of a distribution. The Fund generates only income returns.

How do I invest in managed funds?

You can invest in the Fund by completing the Application Form issued with this PDS, writing out a cheque and sending or delivering both to Tasmanian Perpetual Trustees. You will also have to complete a 100 point identification check.

Investment in a managed fund can be made with a single lump sum or a regular investment plan to build up your investment over time (eg: \$100 per month). Alternatively, contributions can be made as circumstances permit. Managed funds can therefore be an excellent savings vehicle.

What are the costs of managed funds?

There are fees associated with professional funds management and administration. The Management costs is a key measure of the fees associated with a fund, expressed as a percentage of the total assets of the fund. For more information on fees and charges see page 16.

What is investment risk?

Investment risk is the probability of losing money or not receiving income over a given period of time. All investments involve some degree of investment risk.

As a general rule the higher the potential return on an investment the higher the risk.

How can risk be managed?

By way of example the Fund contains 140 registered mortgages. This means that if a borrower defaults, the effect on each investor is less than if the investor had loaned the money directly. This diversification is a strength of the Fund and is an effective way of managing risk.

About investing

What is the risk profile of the Fund?

It is important to be aware of the primary risks associated with the Fund.

- The Fund invests in registered mortgages and a range of short to medium term money market type securities. The performance of the Fund will broadly follow general movement in interest rates on mortgages and short to medium term money-market type securities.
- The Fund's mortgages will not increase in value. However, there is the potential for capital loss if a borrower defaulted and the realised value of the underlying security did not meet the outstanding loan. This could result in a reduction in the value of the Fund. The possibility of a loan defaulting is a risk, so Tasmanian Perpetual Trustees applies rigorous credit management processes when assessing potential loans (see also page 8).

What is property market price risk?

Property market price risk is the risk that adverse movements in the market value of an individual property could result in a financial loss to the Fund, in the event of realised mortgage default.

The objective of property market price risk management is to ensure that movements in the market value of individual properties mortgaged to Tasmanian Perpetual Trustees Funds' do not result in financial loss to the Fund.

Tasmanian Perpetual Trustees will manage property market price risk by rigorously applying the mortgage lending policy which forms part of its investment policies. The Mortgage Lending Policy is specifically designed to manage property market price risk, whilst providing competitively priced funds to property owners and investors.

Tasmanian Perpetual Trustees will continually monitor property market trends, through analysis of commodity price movements, geographical price trends, and other such localised issues.

The measurement of Tasmanian Perpetual Trustees exposure to property market price risk will be based upon the analysis of loans, at the time of review, being reported as being in excess of Tasmanian Perpetual Trustees internal investment policy's set loan to valuation ratios.

What is the risk of borrower default?

Tasmanian Perpetual Trustees competes with traditional lenders and is not a lender of last resort and Tasmanian Perpetual Trustees' clients are assessed against stringent credit criteria. Potential borrowers must demonstrate serviceability and credit history.

The quality of the borrower profile is evidenced by the Fund arrears position of the portfolio. (See page 12).

The typical borrowers include:

- small to medium business proprietors;
- primary producers; and
- private individuals.

All lending applications must contain the following information for assessment:

- borrower/mortgagor/guarantor and personal information including possible financially related party details;
- loan purpose, applicant background, statement of personal financial position inclusive of, but not limited to assets and liabilities and income and expenditure;
- security information inclusive of, but not limited to independent valuations, government valuations, title searches, rates and land tax and Unique Property Identifier searches;
- financial analysis of repayment and debt servicing capacity from a range of sources, including historical financial statements (profit and loss, balance sheets), corporate structures (where appropriate), personal taxation returns, cash flow budgets, management accounts, current liability schedules, historical bank / loan statements, debtor and creditor statements, group certificates and recent pay slips; and
- bankruptcy status, credit checks, taxation and other statutory payment declarations, disclosures, and Privacy Act consents.

Glossary of terms

ASIC	The Australian Securities and Investments Commission (ASIC) is an independent Australian government body that acts as Australia's corporate regulator. ASIC's role is to enforce and regulate company and financial services laws to protect Australian consumers, investors and creditors.
Business Risk and Compliance Committee	The primary objectives of this Board established Committee are to assist the Board in ensuring that the key business and financial risks and compliance requirements not covered by the activities of other Board Committees are identified both now and in the future and that appropriate controls are in place to effectively manage those risks and requirements.
Derivatives	Securities that derive their value from another security, (e.g. futures and options).
Diversification	The spreading of investment funds among classes of securities and localities in order to distribute and control risk. This is a fundamental law of investment, meaning simply: 'don't put all your eggs in one basket'.
Fee Farm Torrens Title	A Fee Farm Torrens Title is a grant under Section 17 of the <i>War Service Land Settlement Act 1950</i> which is administered by the legal entity Tasmania Development and Resources through the Department of Economic Development and Tourism. The grant normally provides that the holder of the Fee Farm Title has an option to purchase fee simple interest in the land at a nominal price.
Fund manager	An organisation that specialises in the investment of a portfolio of securities on behalf of individuals and/or organisations subject to the guidelines and directions of the investment strategy of the fund. Fund managers offer both pooled investment products and individual portfolios to a range of clients including superannuation funds, institutions and individual investors.
Investment and Mortgage Lending Committee	This Board established Committee considers and makes recommendations to the Board on all aspects of investment and mortgage lending, including the development of appropriate investment and mortgage lending policies and practices, the effectiveness of the relevant internal control systems, and financial performance monitoring of the Managed Investment Schemes under management.
Lending value	The lending value is the maximum amount available to a borrower in accordance with the Mortgage Lending Policy.
Lien	A form of security interest granted over an item of property to secure the payment of a debt.
Loan to valuation ratio (LVR)	LVR is equal to the amount lent in relation to the value of the security property expressed as a percentage.
Management costs	A measure of the total ongoing fees and charges of a fund (such as investment management and administration fees), shown as a percentage of the average net asset value of the relevant fund over a year. It shows the cost to investors of using the fund.
Money market	The market for trading in cash and short-term securities such as Bills of Exchange, Promissory Notes, some types of corporate debt and Government and Semi-Government bonds. Participants in the money market include banks and other financial institutions, life offices, sharebrokers, superannuation funds and Government authorities.
Mortgage backed securities	Securities backed by mortgages which have been pooled together and securitised to create marketable securities. Mortgage backed securities are designed to facilitate a secondary market and to provide liquidity to otherwise relatively-illiquid investments in mortgages by financial institutions.
Portfolio	The collection of investment holdings of a particular investor usually with reference to its composition i.e. the mix of different classes of securities, such as bonds, property, shares and cash, or if in a single asset class, the mix of different sectors and stocks.
Registered Mortgage	A form of security for a loan, in which a specific item of property is pledged by the borrower (mortgagor) to the lender (mortgagee).
Responsible Entity	See page 26 for further information.
Risk	In its simplest sense, risk is the variability of returns. Investments with greater risk must promise higher expected returns if investors are to be attracted to them. Risk can take many forms with the major risks being: <i>Credit risk</i> – the risk of another party defaulting on its financial obligations: <i>Investment risk</i> – this is the potential for fluctuation in the value of a investment, which could result in loss of principal: <i>Inflation risk</i> – the risk that the rising cost of inflation will outpace the growth of your investment over time: <i>Liquidity risk</i> – the risk that a security will be difficult or expensive or time-consuming to convert to cash: <i>Political risk</i> – the risk of loss when investing in a given country caused by changes in a country's political structure or policies: <i>Property market price risk</i> – see page 4: <i>Valuation risk</i> – paying too much for an asset.

ASIC Benchmarking

The Australian Securities and Investments Commission ([ASIC](#)) has developed a range of benchmarks for unlisted mortgage schemes to enable investors to understand the risks and assess the suitability of the investments.

The following table summarises how Tasmanian Perpetual Trustees manages each benchmark and where further information can be found within the PDS.

Liquidity	Tasmanian Perpetual Trustees manages liquidity by undertaking cash flow estimates for the scheme for the next 3 months. Tasmanian Perpetual Trustees also has a policy in place to meet future withdrawal requests.	The benchmark has been met.
Scheme borrowing	The Fund has no borrowing.	The benchmark is accordingly not applicable and has been met.
Portfolio diversification	The Fund has 140 loans spread across the following classes: retail, commercial, industrial, rural, residential and schools. For further breakdown of the value of the loans please see page 14. These loans are also diversified across Tasmania with 3 loans approved for interstate purposes. For the specific breakdown please see page 15. Further information regarding arrears, loan profiles, nature of security, the largest borrowers in the scheme, undrawn commitments, maturity profiles and interest rate ranges, see pages 13-15. The Fund does not use <u>derivative</u> products. The Fund has 1 loan which exceeds 5% of the Fund. Details can be found on page 14 under substantial borrowers. For information regarding the maximum loan for any one borrower, the method of assessing borrowers' capacity to service loans, the Responsible Entity's policy on revaluing security properties when a loan is rolled over and the Responsible Entity's approach to taking security on lending by the Fund see pages 10 and 11.	The benchmark has been met.
Related party transactions	There are no loans within the Fund that have been made to related parties. Related party transactions, where undertaken, are done so on the normal commercial terms as set out on pages 8, 9, 10 & 11. Related party transactions are monitored by a <u>Business Risk and Compliance Committee</u> .	The benchmark has been met.
Valuation policy	Properties are valued both on an 'as is' and 'on completion' basis. The Mortgage Lending Policy can be found on page 8. Valuations are undertaken by a panel of valuers. These valuations state that they comply with relevant industry standards and codes, in particular the definitions defined by the International Valuation Standards Committee (IVSC), and endorsed by the Australian Property Institute. Loan reviews are set at a minimum 3 year period. See page 10 for an outline on revaluing securities when a loan is rolled over.	The benchmark has not been met in the following respect only. Tasmanian Perpetual Trustees endeavours to ensure that no one valuer conducts more than one third of the Responsible Entity's valuation work for the Fund, however, Tasmanian Perpetual Trustees cannot guarantee that one valuer will not conduct more than one third of the valuations due to the geographic configuration of mortgaged properties and the availability of valuers across the State.

<p>Lending principles – loan to valuation ratios</p>	<p>Loans within the Fund for property development purposes do not exceed 75% loan to valuation ratio. Information about providing funds for property development purposes is outlined on page 13 of the PDS. Loans are only provided in stages for development purposes. Other loans within the Fund can exceed 80% but must have lenders mortgage insurance.</p> <p>Tasmanian Perpetual Trustees applies mortgage selection criteria including:</p> <ul style="list-style-type: none"> • no loan will exceed 95% of a recent independent valuation at the time of the loan; and • a loan for income producing residential property will not exceed 95% of a recent independent valuation and loans over 80% of valuation will require lenders mortgage insurance. All loans are subject to proof of strong serviceability. In certain circumstances loans for commercial property may exceed stated loan to valuation ratios due to: <ul style="list-style-type: none"> - strong serviceability; and - underlying marginal changes in the valuation of the property security. <p>For further information on mortgage due diligence, nature of security, assessing borrower’s capacity to service loans and revaluing security properties when a loan is rolled over, see pages 9 & 10.</p>	<p>The benchmark has not been met due to the loans exceeding ASIC’s benchmark of 70% for property development purposes (Tasmanian Perpetual Trustees’ threshold is 75%) and the possibility of exceeding ASIC’s benchmark of 80% for residential purposes where lenders mortgage insurance is undertaken.</p>
<p>Distribution practices</p>	<p>Distributions are only sourced from Fund income. Distributions are variable and are dependent on Fund income. See page 11.</p>	<p>The benchmark has been met.</p>
<p>Withdrawal arrangements</p>	<p>Tasmanian Perpetual Trustees expects to pay redemption requests within 60 days as per the Fund Constitution, however, where the Fund can meet redemption requests within 7 business days it will do so after the initial 12 month period. If the Fund cannot meet redemption requests within 60 days, the Fund will become illiquid and redemptions will be frozen.</p> <p>For further information on Fund Liquidity see page 23 of the PDS.</p>	<p>The benchmark has been met.</p>

About the Tasmanian Perpetual Select Mortgage Fund

The Fund aims to provide a competitive return of income.

Fund features

The following features are available:

- income is accrued daily and distributed quarterly;
- additional deposits can be made using cash, cheque, BPay and direct crediting;
- redemptions can be made in person, by fax or electronically;
- no establishment or contribution fee;
- no termination fee; and
- investment management by Tasmanian Perpetual Trustees.

Who should consider the Fund?

The Fund is suitable for investors wanting a competitive regular income over at least a 12 month term.

Investment policy

It is Tasmanian Perpetual Trustees policy to invest the assets of the Fund in:

- registered mortgages over real estate;
- short-medium term money market type securities;
- floating rate notes;
- mortgage backed securities;
- loans secured by Local/State/Federal Government guarantee;
- registered managed investment schemes; and
- loans secured by lien.

Derivatives may be used for the purpose of limiting the risk of adverse interest rate movement, but not for speculative purposes. The Fund currently does not undertake derivative transactions.

Liquidity management

The cash component of the Tasmanian Perpetual Select Mortgage Fund is invested in the Tasmanian Perpetual Cash Management Fund. Funds are available on 24 hours notice which ensures that the Fund has sufficient cash available to meet expected cash flows over the next 3 months.

Mortgage Lending Policy

Tasmanian Perpetual Trustees applies mortgage selection criteria including:

- no loan will exceed 95% of a recent independent valuation at the time of the loan;
- a loan for income producing residential property will not exceed 95% of a recent independent valuation and loans over 80% of valuation will require lenders mortgage insurance. All loans are subject to proof of strong serviceability;
- a loan for income producing commercial property will generally not exceed 80% of a recent valuation at the time of the loan and is subject to proof of strong serviceability. In certain circumstances loans for commercial property may exceed stated loan to valuation ratios due to:
 - strong serviceability; and
 - underlying marginal changes in the valuation of the property security;
- a loan for income producing rural property will generally not exceed 65% of a recent valuation at the time of the loan and is subject to proof of strong serviceability. In certain circumstances loans for rural property may exceed stated loan to valuation ratios due to:
 - strong serviceability; and
 - underlying marginal changes in the valuation of the property security;
- serviceability is generally assessed on a full documentation basis (See page 4);
- owner-occupied property where borrowers demonstrate strong serviceability will be considered; and
- loans are made on an on demand basis, on either a variable interest rate or fixed interest rate generally up to a 3 year term, and on either interest only or principal and interest terms.

Valuation of Fund assets

Tasmanian Perpetual Trustees has determined that Fund assets will be valued in the following manner:

- i) Mortgages will be valued at the balance outstanding provided that Tasmanian Perpetual Trustees may in its absolute discretion determine that a loan secured by mortgage is irrecoverable in whole or in part and on such determination the amount deemed irrecoverable will be written off.
- ii) Fixed interest securities will be valued at cost.
- iii) Bank subordinated debt will, in the case of subscription for such debt, be valued at the amount subscribed, and otherwise at cost.
- iv) In respect of all other categories of assets, Tasmanian Perpetual Trustees may determine valuation methods and policies to apply to such assets so that such assets are valued at face value or historical cost.

Mortgage due diligence

All mortgages are subject to a process of due diligence. That process includes:

- where necessary, an inspection of the property;
- examination of the existence and adequacy of property insurance;
- an independent valuation of the property in most cases. The Board of Tasmanian Perpetual Trustees has appointed a panel of valuers, all are members of the Australian Property Institute. These valuers are required to supply up-to-date professional indemnity insurance on an annual basis. Generally, valuers are remunerated by Tasmanian Perpetual Trustees on a fee for service basis where instructions are given. Valuations relied upon by Tasmanian Perpetual Trustees should generally be no more than 3 months old. Independent valuations are not done in all cases as government valuations of up to 5 years can be used. Consideration is undertaken of the following valuation risks:
 - the nature of the security property;
 - general market conditions for the sector; and
 - specific industry sector risks.

Should it be considered that any of these risks has a detrimental impact on the last valuation, a new valuation will be required.

It is Tasmanian Perpetual Trustees' policy that loans are reviewed on a 3 yearly basis and an assessment of the need of a revaluation of the security property is undertaken at that time, along with;

- a check of payment of statutory property charges, insurance and borrower serviceability (see page 13 for the valuation methodology for development loans);
- a credit check on the borrower; and
- an examination of the financial position and capacity of the borrower.

Limitations apply to the maximum exposure of the Fund to any borrower either as an individual or with related parties.

Nature of security

Tasmanian Perpetual Trustees lends on first priority registered mortgages or subsequent mortgages only where Tasmanian Perpetual Trustees holds the first mortgage over the property. Directors' personal guarantees and registered mortgage debentures may be required collateral security from company borrowers or mortgagors. Security over Fee Farm Torrens Title is acceptable subject to the option price being deducted from the lending value and annual rental being included in serviceability calculations. Any mortgage over Fee Farm Torrens Title property requires consent of the relevant Government Minister prior to loan settlement. Any security taken over Leasehold and/or Crown Law Title will be on a collateral security basis only, with no lending value being attributed. Security over rural land must include security over any available water right or irrigation entitlement. Security may also be taken by way of Local / State / Federal Government guarantee or by way of lien over cash investment in Tasmanian Perpetual Trustees cash products. Fire insurance is required for all lending advances that exceed 50% of the land value of the security property(ies). The value insured must be for the cost of the full replacement of the essential building structures on the secured property. Residential lending above 80% loan to valuation ratio will require mortgage insurance to be taken out.

About the Tasmanian Perpetual Select Mortgage Fund

Capitalised interest

No loans in the Fund have interest capitalised.

Maximum loan amount for any one borrower

The Fund liability of a borrowing entity is not to exceed the following limits:

- where the Fund value is less than or equal to \$30 million, the Fund liability of a borrowing entity is not to exceed 5% of the Fund value;
- where the Fund value is greater than \$30 million but less than or equal to \$150 million, the Fund liability of a borrowing entity is not to exceed \$1.5 million of the Fund value; and
- where the Fund value is greater than \$150 million, the Fund liability of a borrowing entity is not to exceed 1% of the total value of the applicable Fund value.

Any decision to exceed these limits requires approval by the Managing Director or two non-executive Directors of the Board, one of whom must be a member of the Investment and Mortgage Lending Committee.

Method of assessing borrower's capacity to service loans

Any lending application must contain at minimum the following information:

- borrower / mortgagor / guarantor and personal information possibly including financial information of related parties;
- security information;
- financial analysis, assessment of repayment and debt servicing capacity on a sensitised basis and recommendations from Management;
- a declaration as to purpose, a privacy disclosure, a declaration by the applicant which includes an acceptance to pay a fee; and
- bankruptcy status and credit checks.

Revaluing security properties when a loan is rolled over

Loan review periods are set at a minimum of 3 years. Reviews may be more frequent, the review process is dependent on the level of risk.

Loans less than 35% loan to valuation ratio on last government valuation or last panel valuation are reviewed for prompt interest payment over the preceding 12 month period and for currency of fire insurance.

Loans \$150,000 and below, that exceed 35% loan to valuation ratio on last government valuation or last panel valuation but within maximum Fund lending loan to value ratios are reviewed for prompt interest payment over the preceding 12 month period, for currency of fire insurance and for payment of all local government and other statutory charges.

Loans greater than \$150,000, but within 50% loan to valuation ratios on last government valuation or last panel valuation, are reviewed for prompt interest payment over the preceding 12 month period, for currency of fire insurance, for payment of all local government and other statutory charges, and by obtaining personal asset and liability statements, financial statements and lease details (if appropriate) of relevant borrower, mortgagor, guarantor and related entity parties.

All other loans outside the above characteristics are reviewed for prompt interest payment over the preceding 12 month period, for currency of fire insurance, for payment of all local government and other statutory charges, by obtaining personal asset and liability statements, financial statements and lease details (if appropriate) of relevant borrower, mortgagor, guarantor and related entity parties, and including an updated valuation of security property. Any waiver from these review conditions are via recommendation on an individual loan basis from Management and approval by the Managing Director.

Responsible Entity's approach

to taking security

Tasmanian Perpetual Trustees lends on first priority registered mortgages or subsequent mortgages only where Tasmanian Perpetual Trustees holds the first mortgage over the property. Director's personal guarantees and registered mortgage debentures may be required collateral security from company borrowers or mortgagors. Security over Fee Farm Torrens Title is acceptable subject to the option price being deducted from the lending value and annual rental being included in serviceability calculations. Any mortgage over Fee Farm Torrens Title property requires consent of the Minister prior to loan settlement. Any security taken over Leasehold and/or Crown Law Title will be on a collateral security basis only with no lending value being attributed. Security over rural land must include security over any available water right or irrigation entitlement. Security may also be taken by way of Local / State / Federal Government guarantee or by way of lien over cash investment in Tasmanian Perpetual Trustees cash products. Fire insurance is required for all lending advances that exceed 50% of the land value of the security property(ies). The value insured must be for the cost of the full replacement of the essential building structures on the secured property. Residential lending above 80% loan to valuation ratio will require mortgage insurance to be taken out.

Mortgage lending over specialised types of properties and locations are approved on a case by case basis. Specialised property types include service stations, hotels, tourist and holiday resorts, development projects during construction phase, specialised license arrangements i.e. nursing homes, subdivisions, other purpose built securities with limited alternate use.

Valuation policy

Properties are valued on both an 'as is' and 'on completion' basis. The Mortgage Lending Policy can be found on page 8. Valuations are undertaken by a panel of valuers. Tasmanian Perpetual Trustees endeavours to ensure that no one valuer conducts more than one third of the Responsible Entity's valuation work for the Fund, however, Tasmanian Perpetual Trustees cannot guarantee that one valuer will not conduct more than one third of the valuation due to the geographic configuration of mortgaged properties and the availability of valuation firms across the State. These valuations state that they comply with relevant industry standards and codes in particular the definitions defined by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute. Loan reviews are set at a minimum 3 year period. In the case of government valuations, valuations of up to 5 years can be used. See page 10 for an outline on revaluing security properties when a loan is rolled over.

Investment term

The initial investment term is 12 months, and redemption available with 7 days notice. Penalties apply for early redemptions (see page 12). Redemptions are always subject to the liquidity of the Fund (see page 23).

Distributions

Income is accrued daily and distributed within 21 days after the last day of March, June, September and December. Income can be distributed by Electronic Funds Transfer to your account with your financial institution or re-invested. Unless you notify us otherwise, income will be reinvested.

Distributions are only sourced from Fund income. Distributions are variable and are dependent on Fund income.

The Responsible Entity may decide the classification of any item or transaction as being either income or capital and the extent to which reserves or provisions need to be made in respect of the calculation of distributable income.

If a distribution is returned to us through the mail or banking system it will be reinvested.

Income paid to an investor who redeems their interest during a quarter, is calculated on the daily rate of return.

About the Tasmanian Perpetual Select Mortgage Fund

Notification of defaults

Tasmanian Perpetual Trustees policy for handling defaulting loans is to make a provision against the Fund income only when a loss of capital is anticipated. In the event this occurs the subsequent quarterly distribution of income from the Fund will be reduced. If the outstanding interest and principal is recovered then this provision is written back resulting in an increase in the subsequent quarterly distribution of income. However, if the outstanding interest and principal is not recovered then the provision is not written back and the subsequent distribution of income is not increased. Investors will be notified on their distribution statements of any loan defaults that will result in a quarterly distribution of income being reduced by more than 5% in dollar terms.

It is important to note that Tasmanian Perpetual Trustees actively manages the credit process and the loan portfolio of the Fund to minimise defaults.

Cash strategy

The cash component of the Fund is invested in the Tasmanian Perpetual Cash Management Fund ARSN 093 255 728.

Borrowing

Tasmanian Perpetual Trustees policy is not to borrow on behalf of the Fund.

Early redemption penalties

There are penalties for redeeming investments before the expiry of the initial 12 month term. These penalties are not paid to Tasmanian Perpetual Trustees but are levied by the Fund to compensate the remaining investors for actual or potential loss of interest caused by selling assets in order to meet the redemption.

No penalty or notice period applies to the redemption of income that has been re-invested.

The fee is levied when redemption is requested within the first 12 months after your initial investment is placed. The penalty is calculated by the formula $R \times P \times 0.10\%$ where R is the amount redeemed, P is the amount of the initial 12 month term unexpired (in months and fractions of a month) and 0.10% is the amount of the penalty.

The example below illustrates the penalty on \$10,000 redeemed within the first 12 months.

Time to expiry	9 months	6 months	3 months
Penalty	\$90.00	\$60.00	\$30.00

Arrears analysis

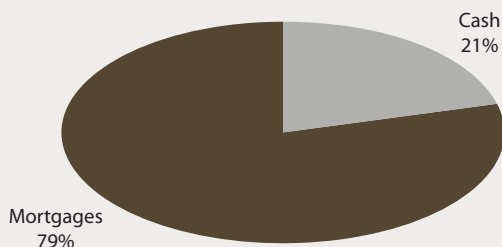
As at 31 December 2008, no loans (out of 140 loans) were in arrears. Tasmanian Perpetual Trustees regularly monitors borrowers' ability to repay, adequacy of security and takes enforcement action where appropriate.

Fund size

As at 31 December 2008 the Fund had \$42.17 million of investors' funds under management.

Sector allocation

As at 31 December 2008 the Fund was invested as follows:



This sector allocation may change without prior notification to you.

Value of interests

Having regard to the nature of the assets of the Fund being predominately mortgages and cash, the capital value of any investor's interest is not expected to change over time.

The value of an investor's interest is the amount invested plus any accrued interest and reinvested income.

The Fund is not a unitised fund. Investors have a proportional interest in the value of the Fund. This is a technical distinction that does not disadvantage investors in any way.

The Responsible Entity may decide the classification of any item or transaction as being either income or capital and the extent to which reserves or provisions need to be made in respect of the calculation of value of interests.

At the end of each business day the income that has accrued on the Fund's investments for that day is calculated. This calculation involves multiplying the total of all outstanding mortgage balances and cash investments of the Fund by their applicable interest rate to determine the investments current annual income. The current annual income on all investments is divided by the number of days in the current financial year to determine the Funds gross accrued income. Gross daily accrued income is then reduced by daily operating costs, (see pages 17, 18 & 19), to determine daily net distributable income. The Funds daily yield percentage is then calculated by dividing daily net distributable income by the total interests held in the Fund. The Fund's platform records these daily yields for use when calculating quarterly income distributions or income on full withdrawals.

The Fund's platform calculates an interest holder's income entitlement on a day by day basis. For example, the Fund's platform would work out, then add up, a total of 92 daily income amounts to determine the end of December distribution for an interest holder who had been in the Fund for the whole quarter. Daily income amounts are determined by multiplying the interest holder's daily closing investment balance by the relevant daily yield.

The daily yield percentage calculation ensures interest holders receive their maximum entitlement to the Fund's distributable income. This is different to a unitised fund which distributes income based on interests held at the time the income is to be distributed.

Minimum investment

\$25,000

Fund performance

For up-to-date performance information call into or phone any branch of Tasmanian Perpetual Trustees or visit our website at www.tasmanianperpetual.com.au

Undrawn commitments

31 December 2008:

Number of Loans	6
Undrawn Commitments	\$2,129,000

Total number of borrowers and loans

As at 31 December 2008 the Fund had 105 borrowers with 140 loans.

Development loans

As at 31 December 2008, 2 loans totalling \$1,148,083 and representing 2.72% of the Select Mortgage Fund were approved for development purposes. The percentage of the Fund attributable to development loans will not exceed 10% of the Fund.

Tasmanian Perpetual Trustees considers 10% to be an appropriate threshold to manage valuation risk and maintain diversity of mortgage assets.

The risks associated with development loans include:

- valuation risk; and
- non completion risk.

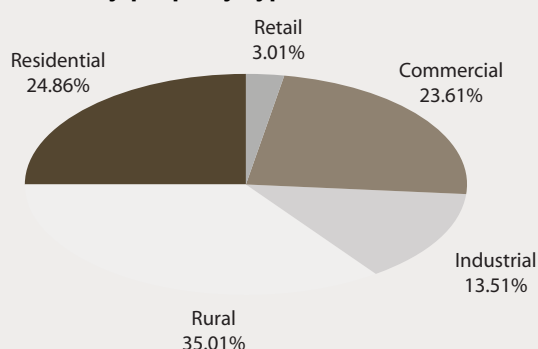
Tasmanian Perpetual Trustees manages these risks by using both 'as is' and 'on completion' valuations when assessing development loans. The risk of the valuation not accurately reflecting the value of the property is managed by use of independent valuers who are members of the Australian Property Institute and ensuring that loan funds are available to fund project completion. Tasmanian Perpetual Trustees manages the valuation risk by engaging quantity surveyors to assess the value of a project, at commencement and throughout development where independent valuers are not able or comfortable in assessing project value. The developer is required to evidence serviceability for the life of the development.

About the Tasmanian Perpetual Select Mortgage Fund

Substantial borrowers

As at 31 December 2008, the loan to the largest borrower was \$2,840,108 and accounted for 6.74% of the Fund. The security valuation for the loan is \$7,800,000. The loan to value ratio was 36.41%. The loan matures in December 2010 and the property is a rural property on King Island. The 10 largest borrowers within the Fund accounted for \$15,377,054 or 36.47% of the Fund.

Loans by property type



Property type	Number of loans	Value of loans as at June 30 2008
Retail	6	890,295
Commercial	23	6,443,385
Industrial	15	5,702,366
Rural	37	11,532,472
Residential	55	7,701,270
Schools	4	854,104
Total	140	33,123,892

Tasmanian Perpetual Trustees manages diversification to minimise the possibility that an adverse event affecting one borrower or loan or sector will simultaneously affect the majority of borrowers and therefore put the overall sector or portfolio at risk.

Interest rate analysis

The table shows the value of loans outstanding by interest rate increment as at 31 December 2008.

Interest rate	Number of loans	Value of loans \$
7.00% - less than 7.50%	2	167,017
7.50% - less than 8.00%	4	3,667,900
8.00% - less than 8.50%	29	6,688,483
8.50% - less than 9.00%	36	11,024,842
9.00% - less than 9.50%	57	8,800,946
9.50% - less than 10.00%	9	2,512,707
10.00% - less than 10.50%	1	200,000
10.50% - less than 11.00%	-	-
11.00% - less than 11.50%	2	61,997
Total	140	33,123,892

Loan to valuation ratio

As at 31 December 2008, the Fund had the following loan to valuation ratios by percentage ranges:

Loan to Value Ratio	Number of loans	Value of loans \$
0 - 10%	4	102,225
10 - 20%	8	326,025
20 - 30%	22	1,734,281
30 - 40%	17	4,360,009
40 - 50%	24	6,736,018
50 - 60%	25	6,255,391
60 - 70%	14	4,179,252
70 - 80%	26	9,430,691
Total	140	33,123,892

Duration analysis

This table shows the time to maturity of outstanding loans as at 31 December 2008.

Time to Maturity	Number of loans	Value of loans \$
6mths	139	33,087,392
12mths	1	36,500
18mths	-	-
24mths	-	-
30mths	-	-
36mths	-	-
Total	140	33,123,892

Geographic spread

Although it is Tasmanian Perpetual Trustees' policy to lend against registered mortgages predominately in Tasmania, the Fund has the capacity to lend against registered mortgages anywhere in Australia. As at 31 December 2008, the geographic spread was as follows:

Location	Number of loans	Value of loans \$
Southern Tasmania	70	12,759,789
Northern Tasmania	48	12,786,012
North West Tasmania	16	2,705,419
King Island	3	2,840,108
Interstate	3	2,032,564
Total	140	33,123,892

Related party disclosure

There are no loans within the Fund that have been made to related parties. Related party transactions where undertaken are done so on the normal terms as set out on pages 8, 9, 10 & 11. Related party transactions are monitored by a Business Risk and Compliance Committee.

Withdrawal analysis

Tasmanian Perpetual Trustee expects to pay redemption requests within 60 days as per the Fund Constitution, however, where the Fund can meet redemption requests within 7 business days it will do so after the initial 12 month period. If the Fund cannot meet redemption requests within 60 days the Fund will become illiquid.

For further information on Fund liquidity see page 23.

Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your Fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

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

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

To find out more

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

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

Taxes are set out in another part of this document starting on page 25.

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

All fees and costs include GST unless otherwise specified.

Type of fee or cost

Fees when your money moves in or out of the Fund	Amount (inc GST but net of GST credits)	How and when paid
Establishment fee The fee to open your account	Nil	Not applicable
Contribution fee The fee on each amount you contribute to your investment	Nil	Not applicable
Withdrawal fee¹ The fee on each amount you take out of your investment	Nil	Not applicable
Termination fee The fee to close your investment	Nil	Not applicable
Management costs		
The fees and costs for managing your investment ²	1.18% p.a.	Calculated daily and paid monthly from the Fund
Service fees		
Investment switching fee The fee for changing investment options	Nil	Not applicable

¹An early withdrawal fee is calculated using a formula. The formula takes into account the unexpired term and capital withdrawn and as such an estimate cannot be determined. For a full explanation and a worked dollar example, see page 12 of the PDS.

²This fee includes amounts payable to the originating legal firms or a referrer. See section headed "Additional explanation of fees and costs" below.

Fees and other costs

Additional explanation of fees and costs

Management costs

The management costs comprise of an issuer fee of 1.025% p.a. and expenses of 0.18% p.a. The issuer fee is paid to Tasmanian Perpetual Trustees to oversee the Funds operations and manage the investments.

Differential fees

Tasmanian Perpetual Trustees may at its discretion negotiate lower fees with institutional or wholesale investors. Tasmanian Perpetual Trustees may also discount its fees to employees of Tasmanian Perpetual Trustees and related bodies corporate by up to 100%.

Mortgage commissions

Commission may be paid by the Fund to persons or corporations who refer mortgage loans. This may be up to 0.55%p.a. of the amount of the loan and may be an ongoing payment, calculated on the outstanding balance of the loan over its life, or a lesser period.

Example of mortgage commission

A \$100,000 loan is referred to the Fund. Commission of \$550 p.a. would be payable for the duration of the loan assuming that the balance does not change.

Investor commissions

Commission may be paid by Tasmanian Perpetual Trustees **out of its Issuer fee** to persons or corporations who refer investors' funds. This commission may be up to 0.55% p.a. of the amount of the investment and may be an ongoing payment, calculated on the outstanding investment for its life, or a lesser period.

Issuer fee split

The issuer fee of 1.00% (excluding GST) is split between Tasmanian Perpetual Trustees and the Originating Legal Firms who established the Fund. The issuer fee forms part of the management costs of 1.18% shown in the fees table on page 17.

Total fees received by Tasmanian Perpetual Trustees

For the last three financial years Tasmanian Perpetual Trustees has received fees from the Fund as follows:

30 June 2008	\$238,775
30 June 2007	\$246,246
30 June 2006	\$248,331

Maximum fees

The maximum fees (excluding GST) allowable under the Constitution of the Fund are:

Contribution fee (not currently charged)	4.0%
Issuer fee	2.0%

Total fees received by the originating legal firms

	Dobson Mitchell & Allport	Piggott Wood & Baker	Total
30 June 2008	\$24,911	\$45,981	\$70,892
30 June 2007	\$32,051	\$58,426	\$90,477
30 June 2006	\$36,508	\$74,955	\$111,462

Example of annual fees and costs

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

Example		Balance of \$50,000 with total contributions of \$5,000 during year
Contribution fee	Nil	For every \$5,000 you put in you will be charged \$0
PLUS Management costs ¹	1.18%	And, for every \$50,000 you have in the Fund you will be charged \$590.00 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 a fee of between \$590.00 - \$649.00 ² .

Investors will receive 30 days notice of any increase in fees.

¹ Includes Issuer Fee and Expense Recoveries net of any GST Input Tax Credits

² The actual amount would depend upon when the additional \$5,000 was invested and assumes the investor held the original \$50,000 investment for the full year. A withdrawal fee may be payable for early withdrawals.

Transaction information

How to invest

To invest in the Fund, complete the Application Form issued with this PDS (see pages 31-34) and send or take it together with your cheque to Tasmanian Perpetual Trustees. Please make cheques payable to Tasmanian Perpetual Trustees Limited. A 100 point identification check will be required.

Investment in the Fund is by application for interests. Application monies are placed into the investors account. Tasmanian Perpetual Trustees intends to issue interests daily.

Times for allotment of interests

- Applications, including additional deposits received on a business day prior to close of business (currently 5.00pm), will be accepted and receipted for that same business day.
- Where an application or additional deposit is received at or before 3.00pm on a business day, the investor will receive value (interest) from that same day.
- If an application or additional deposit is received after 3.00pm, the investor will receive value (interest) from the next business day.
- Until interests in the relevant Fund are issued, application monies are held on trust for investors. Any interest earned during this time is distributed to the relevant Fund after direct costs such as bank fees are deducted.

Additional investment facility

Once invested, you can make additional investments in the Fund without an application form issued with a current PDS. When making additional investments, you should refer to the current PDS and any Supplementary PDS and additional disclosure information provided.

To make an additional investment, call in to any branch; or send a letter with your account number and your cheque to Tasmanian Perpetual Trustees.

Electronic access

For the Tasmanian Perpetual Select Mortgage Fund, you are now able to transact online at www.tasmanianperpetual.com.au

Tasmanian Perpetual Trustees (TPTL) Online enables you to:

- manage your accounts;
- view or reprint statements;
- transfer funds between your accounts or to pre-nominated third party accounts;
- transfer funds to any third party (pay anyone);
- schedule payments in advance; and
- complete online forms to change your account details.

To use TPTL Online, visit your nearest branch to register. You will be required to purchase a security device at the cost of \$20. You will also need to agree to the Electronic Access Terms and Conditions prior to using TPTL Online. The Electronic Access Terms and Conditions are to be read and interpreted in addition to the terms and conditions contained in this PDS.

Direct crediting your account

For the Tasmanian Perpetual Select Mortgage Fund, you are now able to credit to your account:

- additional deposits;
- dividends;
- salary deductions;
- rent; and
- tax refunds.

To set up a direct credit, contact your bank, credit union or building society, or use their website to make payments from your cheque or savings account. Payments from credit cards are not accepted. Your financial institution will be able to provide you with a copy of the terms and conditions which apply to the use of their direct credit facilities.

You cannot make outward payments from your account(s) with Tasmanian Perpetual Trustees using the direct crediting facility.

For investors in the Tasmanian Perpetual Select Mortgage Fund, your account will generally be credited the next business day after the payment is initiated.

To use the direct crediting system, you must have an open account with Tasmanian Perpetual Trustees. If your account is closed, your payment will be rejected.

You cannot use direct crediting to re-open a closed account.

There are currently no Tasmanian Perpetual Trustees fees or charges for using direct crediting to add monies to your account.

BSB Code	037-812
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The BSB and Account Reference Number are on your periodic statement. You will need this information when making a direct credit payment.

Automatic savings plan

Salary crediting

You can deposit all or part of your salary straight into your Tasmanian Perpetual Trustees investment account each pay day. Here's how it works:

- decide how much you want regularly credited from your salary each pay day;
- provide your employer's pay office with the Tasmanian Perpetual Trustees Account Reference Number (on your statement) and your instructions of how much to credit; and
- payments will be made automatically to your investment account.

There are currently no Tasmanian Perpetual Trustees fees for this service.

Direct crediting

If you hold shares in a listed company, you can organise to have dividends credited to your Tasmanian Perpetual Trustees account in two ways:

- log onto the website for the relevant share registry and update your details online; or
- you can phone the registry and follow the prompts and they will post or fax a form to you.

You will need to:

- provide your SRN or HIN from your Holding statement;
- provide the Tasmanian Perpetual Trustees Investment BSB 037-812 and your Account Number (Tasmanian Perpetual Trustees Account Reference Number on your statement); and
- complete the information on the provided form which you will need to sign and return to the address shown on the form.

BPAY® deposits

Additional monies can be invested using BPAY. To use the BPAY system to add to your investment, contact your bank, credit union or building society, or use their website to make payments from your cheque or savings account. Payments from credit cards are not accepted. More information on the BPAY system can be found at www.bpay.com.au or alternatively contact your financial institution.

You cannot make outward payments from your account(s) with Tasmanian Perpetual Trustees using BPAY.

Your account will generally be credited the next business day after the BPAY payment is initiated.

To use the BPAY system you must have an open account with Tasmanian Perpetual Trustees. If your account is closed, your payment will be rejected. If your payment is rejected we will refund you in full.

You cannot use BPAY to re-open a closed account.

There are no additional fees or charges for using BPAY to add monies to your account.

Fund BPAY Biller Code	
Select Mortgage Fund	36699

The BPAY Biller Code and Customer Reference Number are on your quarterly statement. You will need this information when making a BPAY payment.

Minimum additional investment

\$100.

Transaction information

How to redeem

Tasmanian Perpetual Trustees intends to redeem interests daily subject to any notice periods.

Redemption of interests

In person:

Redemption can be made in person at any Tasmanian Perpetual Trustees branch (see list of branch locations on back cover).

By fax:

Instructions can be faxed to any Tasmanian Perpetual Trustees branch (refer fax instruction service conditions below).

For security reasons, email instructions are not accepted.

In all requests for redemption the investor account number must be quoted.

Electronic access:

You are able to redeem online. See page 20 for further information.

Notice periods

7 days after initial 12 month term.

Times for redemption of interests

In general, if the request is received before 3pm on a business day, the request is processed on the same day; and after 3pm the request is processed on the next business day.

Redemption waiting periods

Subject to Fund liquidity, Tasmanian Perpetual Trustees must meet redemption requests within a reasonable period, having regard to the nature of the assets of the Fund.

Tasmanian Perpetual Trustees expects to pay redemption requests on the expiry of the 7 business days notice period, but may extend up to 60 business days as per the Fund Constitution.

Facsimile instruction service conditions

You can set up this service by providing a signed Account Authorities Form available by contacting your nearest branch or online at www.tasmanianperpetual.com.au.

Tasmanian Perpetual Trustees will only accept faxed redemption requests on the following conditions:

- faxed instructions must be legible;
- instructions must bear the investor's account number and signature;
- redemption proceeds will only be transferred to the financial institution account that you have previously nominated; and
- cheques will only be issued in the name of the investor and sent to the address on Tasmanian Perpetual Trustees records.

To enable us to provide this service you will need to accept full responsibility (to the extent permitted by law) for loss arising from Tasmanian Perpetual Trustees acting upon faxed instructions which comply with Tasmanian Perpetual Trustees security processes. Additionally, you will need to release and indemnify Tasmanian Perpetual Trustees in respect of any liabilities arising from our acting on faxed instructions even if those instructions are not genuine. Also, to use the facsimile redemption facility you must agree that neither you nor any other person has any claim against Tasmanian Perpetual Trustees or the Fund in relation to a payment made or action taken by us under the facsimile instruction service if the payment is made in accordance with these conditions. These terms and conditions are additional to any requirements for giving redemption instructions.

Cheque clearance times

Please note in general that cheques deposited to your account in the Fund cannot be drawn against for 5 business days, or until the cheque is cleared.

Fund liquidity

Under the *Corporations Act 2001* (the Act) the Fund is liquid if “liquid” assets account for at least 80% of the Fund’s assets. If the Fund becomes illiquid, Tasmanian Perpetual Trustees must carry out redemption requests in accordance with procedures in the Act. Broadly, Tasmanian Perpetual Trustees may decide to make an offer to all investors to withdraw and this offer will remain open for at least 21 days. Tasmanian Perpetual Trustees will use the available cash in the Fund to meet redemption requests, and if there is a shortfall, investors will receive redemption proceeds pro rata according to the amount they had requested to be withdrawn. Redemption requests unfilled will be reconsidered once liquidity has been restored. Tasmanian Perpetual Trustees does not expect the Fund to become illiquid. Liquidity is managed on a daily basis to minimise the possibility of the Fund becoming illiquid.

Additional information

Investment acknowledgement

No certificates are issued for an investment in the Fund. An Investment Advice (confirmation of transaction) will be sent within seven days of an investment being accepted.

Investment reporting

Tasmanian Perpetual Trustees will mail you a transaction and distribution statement for the Fund at the date of each distribution.

You can request a transaction statement free of charge, at any time.

The June distribution statement will provide details of income for that financial year.

Annual financial reports

Tasmanian Perpetual Trustees is required under the Act to prepare full financial statements for the Fund, to have these statements audited and send a copy to each investor. **If you do not wish to receive a copy of these statements, you can instruct us by providing a signed Account Authorities Form available by contacting your nearest branch or online at www.tasmanianperpetual.com.au.**

Product Disclosure Statements

It is not necessary that we send you an updated PDS or Supplementary PDS whenever one is produced. However, we will advise you when an updated PDS or Supplementary PDS has been issued. Copies of the PDS or Supplementary PDS will be available via our website www.tasmanianperpetual.com.au, or from any branch of Tasmanian Perpetual Trustees.

Cooling-off

As a retail investor you have a period of 14 days (the Cooling-off period) during which you can cancel your initial investment by notifying us in writing. This 14 day period will start from 5 business days after your investment is received by Tasmanian Perpetual Trustees or from the date a receipt for your investment is issued by Tasmanian Perpetual Trustees, whichever occurs first. If you cancel your investment during this period, the amount repaid to you is adjusted to reflect any increase or decrease in the value of your investment, any tax or duties payable by Tasmanian Perpetual Trustees, and administrative expenses and transaction costs associated with the acquisition and termination of your investment.

The right to Cooling-off terminates immediately if you exercise a right or power under the terms of the agreement, such as redeeming part of your investment. For most subsequent contributions, including those under the terms of an existing agreement or investments made under a distribution re-investment arrangement, the right to Cooling-off does not apply.

Managed Investment Schemes Collection and Disclosure of Personal Information Statement

Introduction

We are required under National Privacy Principle 1.3 of the *Privacy Amendment (Private Sector) Act 2000*, to ensure that an individual whose personal information we collect, is made aware of the following information:

- the identity of the organisation and contact details;
- the purpose for collection;
- the fact that an individual is able to gain access to his/her personal information held by us;
- the organisations, or kinds, to which the information is disclosed;
- any law that requires the particular information to be collected; and
- the main consequences (if any) for the individual if all or part of the information is not provided.

Collection

Tasmanian Perpetual Trustees collects personal information as the Responsible Entity of the Fund.

The personal information collected can take the form of: your name, address, contact number (phone, fax, email address), investment and withdrawal transactions, account number of a financial institution if you have elected to have your distributions transmitted electronically, date of birth, tax file number, and copies of documents relating to the 100 point check for identification purposes.

Investors should advise Tasmanian Perpetual Trustees of any change of address which affects the delivery of distribution statements or other notices.

Purpose of collection

The primary purpose of the collection of personal information is to facilitate the setting up of a personal account for each investor and the assignment of an account number to enable correct accounting of transactions and processing of distributions.

We also require your personal information to enable you to be sent notices and statements as required.

Disclosure

The personal information that you provide may be disclosed to other financial bodies to enable your distribution to be credited to your account with them, to mail and print service providers, maintenance of investor register providers, electronic transaction processors, information technology service providers, internal audit service providers and to external auditors to comply with statutory audit requirements.

If an investor uses the services of a financial adviser, the adviser has access to the information held by Tasmanian Perpetual Trustees in relation to your investment account(s) where you have authorised it on our application form.

We may also provide details of an account to third parties where we have written instructions from you.

Where you have not opted-out from receiving information on our products, your personal information may be used to send details of our products and

services from time to time. If you do not wish to receive any further information on products and services, please advise our Customer Service Officer at any Branch.

We may also share your personal information with companies related to Tasmanian Perpetual Trustees and our joint venture partners so that you can be told about financial products offered or distributed by them. If you do not wish to be informed about new products or services please tick the relevant box on the application form.

Access and correction

If you would like details of your personal information which we hold or if you believe some of the information is incorrect or not up-to-date, please contact one of our Customer Service Officers.

To ensure the safety and integrity of investors' personal information, Tasmanian Perpetual Trustees will only disclose such information if our internal procedures are satisfied and may involve asking you to complete a personal information request.

If you have a complaint to make concerning your personal information, please write to our Compliance Officer and an investigation will be carried out. If you are not satisfied with the outcome, you can then take your complaint to the Privacy Commissioner.

Compliance Officer
PO Box 1002
Launceston TAS 7250

Taxation information

This section is a general discussion of taxation issues relevant to investments in the Fund. You should be aware that the taxation implications of investing in the Fund will vary between investors. Tasmanian Perpetual Trustees is not a professional tax adviser and strongly recommends that you seek professional taxation advice on investing with Tasmanian Perpetual Trustees to take into account your particular circumstances.

The discussion of tax in this PDS is not intended to be a complete summary and refers to the Australian tax law in force at the time of writing. This may change.

Additional information

Income

Generally, no income tax is payable by the Fund on the net income for a financial year. Tasmanian Perpetual Trustees intends that investors will be presently entitled to all of the taxable income of the Fund for each financial year. This means that all taxable income that investors become entitled to for a financial year including reinvested amounts, will form part of their assessable income, even though actual payment may not occur until some later time.

Capital gains

Disposal of certain assets held by a Fund may become subject to the capital gains tax provisions of the *Income Tax Assessment Act*. Taxable capital gains derived by a Fund to which you become entitled may form part of your assessable income.

To the extent that certain amounts distributed to you may not be included in your taxable income as a result of the discount capital gain concession, no adjustment to the cost base of your units will generally be required.

Disposal of interests

Under the capital gains tax provisions, any taxable capital gains arising on redeeming, switching or transferring of your interests may form part of your assessable income. Some investors may be eligible for the discount capital gain concession upon disposal of their interests if the interests are held for 12 months or more and the Fund satisfies certain requirements. You should obtain professional tax advice on the availability of this concession.

Certain investors (for example those who carry on a business of trading in securities) may be assessed in relation to dealing in interests as ordinary income rather than under the capital gains provisions. You should seek professional tax advice about the capital gains tax status of your interests.

Tax File Number

You may quote your Tax File Number (TFN) or claim an exemption from doing so by completing the relevant section of the application form. Whilst there is no legal requirement to quote a TFN if you choose not to quote a TFN, tax will be withheld from distributions at the highest marginal rate of tax plus Medicare levy.

Business investors may quote an Australian Business Number (ABN) instead of a TFN.

GST

The Fund has registered for GST. The issue and redemption of units in the Fund and receipt of distributions will not be subject to GST. However, GST is payable on fees and expenses incurred by the Fund. The Fund will generally be able to claim input tax credits and/or reduced input tax credits.

The Responsible Entity

Tasmanian Perpetual Trustees is the Responsible Entity of the Fund. The duties of the Responsible Entity under the Act include:

- acting in the best interests of investors and, if there is a conflict between the investors' interest and its own interest, giving priority to the investors' interest;
- ensuring that the property of the Fund is clearly identified, held separately from other property of Tasmanian Perpetual Trustees and property of any other Fund and is valued at regular intervals;
- ensuring that payments from the Fund are made in accordance with the Constitution and the Act; and
- reporting to the Australian Securities and Investments Commission (ASIC) breaches of the Act in relation to the Fund.

The Constitution

The Fund has a Constitution that sets out the legal relationship between Tasmanian Perpetual Trustees and investors. By investing in the Fund you agree to be bound by the Fund's Constitution.

The Constitution contains provisions regarding:

- the issuing and redeeming of interests;
- the obligations of the Responsible Entity;
- the ability of investors to call meetings;
- general administrative procedures;
- fees and expenses; and
- alteration of the Constitution.

A copy of the Fund Constitution is available free of charge from Tasmanian Perpetual Trustees on request.

Meetings

Meetings of investors in the Fund may be called in certain circumstances by Tasmanian Perpetual Trustees. Investors can also request Tasmanian Perpetual Trustees to call a meeting if at least 100 investors or investors holding at least 5% of the total value of the Fund do so.

Compliance plan

Under the Act each registered fund must have a compliance plan that sets out the adequate measures that the Responsible Entity operating the fund will apply to ensure compliance with the Act and the fund's constitution. The compliance plan of each fund is subject to an annual audit by a registered company auditor under the Act.

Compliance committee

The Act requires that managed funds be offered by a Responsible Entity, who must either have at least half its Directors as external Directors or appoint a compliance committee with a majority of external members.

At least half of Tasmanian Perpetual Trustees Directors are external Directors and therefore a compliance committee will not be constituted.

Labour and ethical considerations

Tasmanian Perpetual Trustees focuses on optimising risk and return outcomes for investors and does not take labour standards, environmental, ethical or social considerations into account in the selection, retention or realisation of any asset or other service provider to the Fund.

Complaints handling

Tasmanian Perpetual Trustees prides itself on delivering high quality personal service. We are committed to handling any complaint quickly, fairly and in strictest confidence. We have adopted best practice policies and procedures for complaint handling which are detailed in a brochure available by contacting any branch of Tasmanian Perpetual Trustees. Should you have a complaint concerning any aspect of Tasmanian Perpetual Trustees products or services please contact us as follows:

1. If possible, attempt to resolve the matter when it first arises with a Customer Service Officer in your closest branch (see Branch contact listing on the back cover)
2. If the matter is not resolved to your satisfaction, please telephone during business hours or write to the Branch Manager at your closest Branch. Alternatively you can write to:
Manager Compliance and Legal
Tasmanian Perpetual Trustees
PO Box 1002
Launceston TAS 7250
Our customer service standards require us to fully investigate your complaint and attempt to resolve the matter within 14 days from the date we first are made aware of the problem.
3. In the event that you are not satisfied with the outcome of your complaint, you have the right to refer the matter to an independent external complaint resolution scheme. Tasmanian Perpetual Trustees is a member of the Financial Ombudsman Services Limited (FOS). You can contact FOS by telephoning them on 1300 780 808 or fax them on (03) 9613 6399. Alternatively you can write to them at the following address:
GPO Box 3
Melbourne VIC 3001
www.fos.org.au

Additional information

Directors' interests

No Director of Tasmanian Perpetual Trustees has or had in the two years prior to the issue of this PDS any interest in the promotion of the Fund or property proposed to be acquired by the Fund in connection with its formation or promotion. Some of the Directors of Tasmanian Perpetual Trustees:

- are or may become investors in the Fund; or
- have or may acquire shares in Tasmanian Perpetual Trustees.

No amounts have been paid to a Director or proposed Director to induce them to qualify as or become a Director.

Tasmanian Perpetual Trustees' interests

Tasmanian Perpetual Trustees may invest some of its own money in the Fund. The amounts invested will change from time to time and investors can enquire about the current amounts invested by contacting Tasmanian Perpetual Trustees.

Notification of defaults

Tasmanian Perpetual Trustees' policy for handling defaults is to make a provision against the Fund income only when a loss of capital is anticipated. In the event this occurs, the subsequent quarterly distribution of income from the Fund will be reduced. If the outstanding interest and principal is recovered then this provision is written back, resulting in an increase in the subsequent quarterly distribution of income. However, if the outstanding interest and principal is not recovered, then the provision is not written back and the subsequent distribution of income is not increased. Investors will be notified on their distribution statements of any loan defaults that will result in a quarterly distribution of income being reduced by more than 5% in dollar terms.

It is important to note that Tasmanian Perpetual Trustees actively manages the credit process and the loan portfolio together with all other assets of the Funds to minimise defaults. For more information on these policies see page 4 in relation to loans.

Updated information

Some information in this PDS may change from time to time. If the change is not materially adverse the updated information may be published on the Tasmanian Perpetual Trustees website (see back cover) and advertised in Tasmanian Perpetual Trustees Branches. Updated information will also be posted out free of charge to any investor who requests it.

We will also keep investors informed of all significant changes by preparing an updated PDS or Supplementary PDS or other information as required.

Disclosing entities

The Fund is or is expected to become a 'disclosing entity' and subject to regular reporting and disclosure obligations under the Act. Copies of documents lodged with the Australian Securities and Investments Commission (ASIC) may be obtained from, or inspected at an ASIC office.

Please contact your nearest Branch of Tasmanian Perpetual Trustees if you wish to obtain:

- the annual financial statement most recently lodged with ASIC;
- any half-year report lodged with ASIC after the lodgement of the annual report and before the date of this PDS; or
- any continuous disclosure notices given after lodgement of the annual report and before the date of the PDS.

Investor's liability

Your liability is limited by the Constitution to the value of your interests but the Courts are yet to determine an investor's liability, hence no absolute assurance can be given.

Centrelink

Investors should be aware that investing in the Fund could affect their entitlement to Centrelink benefits. Investors should seek their own professional advice on this matter.

About the Application Forms

There are 2 types of Application Forms. One for personal investors and one for business investors. The information below clarifies which Application Form you should use. If you are in doubt please contact your nearest Tasmanian Perpetual Trustees branch.

Personal Application Form

Signing the Application Form

Individuals

Applications are to be signed by the applicant personally or under power of attorney.

Children's Accounts

Children under 16 may not invest unless the investment is made by an adult in trust for the child. In this case the adult is the legal owner of the investment and the child is the beneficial owner of the investment. The legal owner must provide 100 points of identification and may choose to provide their TFN.

Joint

Joint applications are to be signed by all parties who will be entered on the register of investors as joint tenants.

Power of Attorney

If signed under power of attorney, the attorney must certify that he/she is authorised under that power to execute this document and has not received notice of revocation of that power. A certified copy of the power of attorney must be provided to us.

Business Application Form

Signing the Application Form

Trusts and Superannuation Funds

Applications must include the names and signatures of the trustees.

Partnerships

Applications must include the names and signatures of the partners.

Companies

Applications must be executed in the manner permitted under s127 of the Act.

Other Incorporated Entities

A copy of the Entity's Constitution and the minutes of the meeting authorising the application must be provided.

Note: Please notify us of any change of authorised signatories and provide the signature(s) prior to the signatories being authorised to operate the account.

100 point check

All investors and signatories to any account in any Tasmanian Perpetual Trustees Fund are required to provide identification totalling one hundred points as per the following scale:

- Birth Certificate or Passport 70 points
(only one may be used)
- Driver's licence 40 points
- Land Titles Office Records 35 points
- Accounts – Aurora, Telstra etc. 25 points
- Credit Card or Medicare 25 points
- Marriage Certificate 25 points
- Rates Notice 25 points
- Telephone Book Listing 25 points

Investors may wish to use the Form s.21 "Reference from an acceptable referee" rather than come into a Tasmanian Perpetual Trustees office to produce identification.

This form is attached for your use on page 35.

About the Application Forms

Anti-money laundering and counter-terrorism financing laws

Tasmanian Perpetual Trustees acknowledges that Australia's anti-money laundering and counter terrorism financing legislation will provide law enforcement agencies with high quality financial intelligence, to assist in the detection and prevention of terrorist activity and the laundering of proceeds of crime.

We also acknowledge the likelihood of serious risks with respect to personal, stakeholder and regulatory reputation in the event we fail to adequately design, develop and implement appropriate processes and procedures to prevent the facilitation of money laundering or terrorist financing.

To this end, we have embraced our statutory obligations to assist in the detection and prevention of terrorist activity and the laundering of proceeds of crime by knowing our customers through identification; verification and ongoing monitoring; reporting suspicious matters and transactions above a set threshold; ensuring customer information accompanies international funds transfer instructions; and record keeping obligations.

Therefore, if we ask you for particular information, even if we know you well, it's only for security reasons and so that Tasmanian Perpetual Trustees complies with Australia's laws.

Please note, notwithstanding the collection of particular information to satisfy our obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* we remain subject to the *Privacy Act 1988* with respect to the collection, use, disclosure, quality and security of personal information.

For further information on how the anti-money laundering and counter-terrorism financing laws might affect you and your relationship with us, please contact the AML/CTF Compliance Officer on 03 6222 1261.

Anti-money laundering and counter-terrorism financing requirements

Additional information may be required for the following entities:

- Companies;
- Trustees;
- Partnerships;
- Associations;
- Registered Co-operatives;
- Government Bodies; and
- Agents of customers.

Please contact your nearest Tasmanian Perpetual Trustees branch for further information.

This information is an anti-money laundering and counter-terrorism financing requirement.

Consequences of not completing the Application Form

We are required to state the consequences of a new investor not providing the information required in the application forms issued with this PDS to open a new account.

If this information is not completed, or is not forthcoming (including providing information required under the anti-money laundering counter-terrorism financing requirements referred to above), regrettably, the application will not be able to proceed.

Where a signatory under a new account does not wish to provide us with the required 100 point check information, the application will not be able to proceed. (The *Financial Transaction Reports Act 1988* requires us to obtain a 100 point check on account signatories.)

It may be that a new investor does not wish to provide us with his/her tax file number. This is quite legal. However, in this instance we are required by Taxation law to deduct withholding-tax at the highest marginal rate plus Medicare levy from distributions. Some persons are not required to provide their tax file number, such as those receiving certain pensions.

Business investors may quote an Australian Business Number (ABN) instead of a TFN.

Personal Application Form - Tasmanian Perpetual Select Mortgage Fund

There is a PDS dated 9th March 2009 for these securities. This PDS contains information about investing in these securities and it is recommended that investors read the entire PDS before deciding to invest in these securities. Any person who gives another person access to this application form must at the same time and by the same means give the other person access to the PDS and any supplementary documents. Tasmanian Perpetual Trustees will send paper copies of the PDS without charge (within Australia) upon request.

1. INVESTOR DETAILS

If you are an existing client of Tasmanian Perpetual Trustees please quote your account ref number:

Please tick type of Investor: Individual Joint Investors Other

Account Holder 1

Surname		Mr/Mrs/Ms/Other
Given Names		
Residential Address		
State	Postcode	Phone (Business)
Phone (Home)		Phone (Mobile)
Fax	Email	
Occupation	Tax File Number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
<input type="checkbox"/> Full Time	<input type="checkbox"/> Part Time	<input type="checkbox"/> Casual <input type="checkbox"/> Self Employed
Marital status	Date of Birth / /	Place of Birth

Account Holder 2

Surname		Mr/Mrs/Ms/Other
Given Names		
Residential Address		
State	Postcode	Phone (Business)
Phone (Home)		Phone (Mobile)
Fax	Email	
Occupation	Tax File Number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
<input type="checkbox"/> Full Time	<input type="checkbox"/> Part Time	<input type="checkbox"/> Casual <input type="checkbox"/> Self Employed
Marital status	Date of Birth / /	Place of Birth

Account Holder 3

Surname		Mr/Mrs/Ms/Other
Given Names		
Residential Address		
State	Postcode	Phone (Business)
Phone (Home)		Phone (Mobile)
Fax	Email	
Occupation	Tax File Number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
<input type="checkbox"/> Full Time	<input type="checkbox"/> Part Time	<input type="checkbox"/> Casual <input type="checkbox"/> Self Employed
Marital status	Date of Birth / /	Place of Birth

Personal Application Form - Tasmanian Perpetual Select Mortgage Fund

2. INVESTMENT ACCOUNT DETAILS

Account Name

Account Notation (if required)

3. POSTAL ADDRESS FOR ACCOUNT

C/- (if applicable)

Postal Address

State

Postcode

4. INVESTMENT AMOUNT

Select Mortgage Fund

\$

Source of funds: Please provide brief details; eg Insurance payout; sale of house; superannuation funds; transfer from another institution etc

Please note that all distributions will be reinvested into your Fund account unless an Account Authorities Form is completed with specific instructions. Please contact any branch of Tasmanian Perpetual Trustees for further information.

100 POINT CHECK (internal use only)

	Acc Holder 1	Acc Holder 2	Acc Holder 3
Birth Certificate or Passport (only one may be used)	<input type="checkbox"/> (70)	<input type="checkbox"/> (70)	<input type="checkbox"/> (70)
Citizenship Certificate	<input type="checkbox"/> (70)	<input type="checkbox"/> (70)	<input type="checkbox"/> (70)
Driver's Licence	<input type="checkbox"/> (40)	<input type="checkbox"/> (40)	<input type="checkbox"/> (40)
Land Titles Office Records	<input type="checkbox"/> (35)	<input type="checkbox"/> (35)	<input type="checkbox"/> (35)
Accounts – e.g. Aurora, Telstra	<input type="checkbox"/> (25)	<input type="checkbox"/> (25)	<input type="checkbox"/> (25)
Credit Card or Medicare Card	<input type="checkbox"/> (25)	<input type="checkbox"/> (25)	<input type="checkbox"/> (25)
Marriage Certificate	<input type="checkbox"/> (25)	<input type="checkbox"/> (25)	<input type="checkbox"/> (25)
Rates Notice	<input type="checkbox"/> (25)	<input type="checkbox"/> (25)	<input type="checkbox"/> (25)
Telephone Book Listing	<input type="checkbox"/> (25)	<input type="checkbox"/> (25)	<input type="checkbox"/> (25)

5. APPLICATION SIGNATURE

I/We have received and read this PDS dated 9th March 2009 and agree to be bound by its terms and conditions and the Constitution of the relevant Fund. I/We declare that all details given in this application are true and correct.

If this application is signed by an attorney, the attorney states that there has been no notice of revocation of the power of attorney under the authority of which this application is signed. Any Tax File Number supplied at any time may be applied to this investment and previous or future investments in my/our names.

I/We agree to receive ongoing investor information including PDS information, confirmations of transactions, periodic reporting, ongoing disclosure of material changes and significant events and additional information as applicable, that can be sent to an email address that I/we provide to you (and/or through the Tasmanian Perpetual Trustees website).

Please indicate the number of account holders required to sign for withdrawals. If this box is not completed all investors will be required to sign.

Account Holder 1

Full Name
(please print)

Signature

Date / /

Account Holder 2

Full Name
(please print)

Signature

Date / /

Account Holder 3

Full Name
(please print)

Signature

Date / /

Office use only:

Acknowledged

Account maintenance

TFNs

100 point check

CSO

Business Application Form - Tasmanian Perpetual Select Mortgage Fund

There is a PDS dated 9th March 2009 for these securities. This PDS contains information about investing in these securities and it is recommended that investors read the entire PDS before deciding to invest in these securities. Any person who gives another person access to this application form must at the same time and by the same means give the other person access to the PDS and any supplementary documents. Tasmanian Perpetual Trustees will send paper copies of the PDS without charge (within Australia) upon request.

1. BUSINESS DETAILS

If you are an existing client of Tasmanian Perpetual Trustees please quote your account number:

Please tick type of Investor:

Company Partnership Trust (formal) Superannuation Government Other

Business Name

Contact Person

Telephone

Facsimile

Tax File Number or exemption

ACN/ARN/ABN

Registered Office

State

Postcode

Postal Address
Applicable to account

State

Postcode

Email

Primary Place of Business

State

Postcode

Nature and purpose of business

2. INVESTMENT FUND AND AMOUNT

Select Mortgage Fund

\$

Source of funds: Please provide brief details; eg Insurance payout; sale of house; superannuation funds; transfer from another institution etc

Please note that all distributions will be reinvested into your Fund account unless an Account Authorities Form is completed with specific instructions. Please contact any branch of Tasmanian Perpetual Trustees for further information.

3. INVESTMENT ACCOUNT DETAILS

Account Name

If the account is a trust account please complete details below:

Number of Account Signatories

Please tick if applicable TFN provided on behalf of trustee Investor TFN provided

Please provide title, first and second christian names and surname in full

Name 1

TFN

Name 2

TFN

Name 3

TFN

Name 4

TFN

Account Notation (if required)

Please tick if you do not wish to receive a copy of the Annual Financial Report for the Fund(s).

Business Application Form - Tasmanian Perpetual Select Mortgage Fund

4. APPLICATION SIGNATURE

I/We have received and read this PDS dated 9th March 2009 and agree to be bound by its terms and conditions and the Constitution of the relevant Fund. I/We declare that all details given in this application are true and correct.

If this application is signed by an attorney, the attorney states that there has been no notice of revocation of the power of attorney under the authority of which this application is signed. Any Tax File Number supplied at any time may be applied to this investment and previous or future investments in my/our names. I/We agree to receive ongoing investor information including PDS information, confirmations of transactions, periodic reporting, ongoing disclosure of material changes and significant events and additional information as applicable, that can be sent to an email address that I/we provide to you (and/or through the Tasmanian Perpetual Trustees website).

Please indicate the number of account holders required to sign for withdrawals. If this box is not completed all investors will be required to sign.

Account Signatory 1:

Full Name (please print)

Signature Date / /

Director Secretary Other

Account Signatory 2:

Full Name (please print)

Signature Date / /

Director Secretary Other

Account Signatory 3:

Full Name (please print)

Signature Date / /

Director Secretary Other

Account Signatory 4:

Full Name (please print)

Signature Date / /

Director Secretary Other

Company Seal

Company Name

Company Seal (if applicable)

Where a Company Seal is required, a Director and a Director or Secretary must sign the Application Form unless the Company has only one Director who is also the Company Secretary

Office use only: Acknowledged Account maintenance TFNs 100 point check for all signatories

Reference from an Acceptable Referee (s.21)

Identification Record for a Signatory to an Account

This form must be signed by an 'Acceptable Referee'.
Additional signatories to an account must each complete separate 'Acceptable Referee'(s.21) forms.
See overleaf for guidance notes before completing the form.

PART A: DETAILS OF SIGNATORY

1. Name of signatory

Surname

Given names

2. Account name/title (name(s) the account is to be held in)

3. Account number (if unknown leave blank)

4. Signature (to be signed in the presence of the referee)

PART B: DOCUMENTS EXAMINED BY REFEREE

5. Primary identification document – birth certificate, citizenship certificate, or international travel document (eg passport)

Type of document

Name on document

Date of birth

Date of issue

Office of issue*

* For a travel document, show country of issue

6. Secondary identification document

Name on document

Date of birth

Address

State

Postcode

Type of document

Document number

Issued by

Date of issue

Date of expiry

Please note: if only a secondary identification document is relied upon, the cash dealer must notify the Director of AUSTRAC, pursuant to section 22 of the *Financial Transaction Reports Act 1988*.

9th March 2009

PART C: DETAILS OF ACCEPTABLE REFEREE

7. Name of acceptable referee

Surname

Given names

8. Occupation

9. Address

State

Postcode

10. Category of referee (see list overleaf)

PART D: STATEMENT BY ACCEPTABLE REFEREE

11. I have known the signatory for a period of (minimum 12 months):

12. The signatory has been commonly known to me by the name shown in Part A for a period of:

13. I have examined the identification documents whose details are shown in Part B, consisting of (tick one):

A primary document in the name shown in Part A

A secondary document in the name shown in Part A, plus a primary document in a former name

Only a secondary document in the name shown on Part A

14. Where the name on the primary identification document differs from the name used by the signatory in relation to account, the explanation given by the signatory is:

15. Where only a secondary identification document is examined, the explanation given by the signatory as to why a primary identification document was not produced is:

16. The signatory signed the identification reference in my presence.

17 Signature of the Acceptable Referee

Date / /

Notes of Guidance for Acceptable Referees

An Identification Reference must be signed in the presence of an Acceptable Referee.

An Identification Reference is to be provided for each signatory to an account and comprises a written and signed reference by a person within a specified class of Acceptable Referees, declared by the Minister by Notice in the Gazette on 6 November 2002 in GN 44 (see list below).

The reference must set out the name and used by the signatory in relation to the account and must state that:

- the referee has known the signatory for the period specified in the reference (being a period of at least 12 months)
- during the whole of that period, or for so much of that period as is specified in the reference, the signatory has been commonly known by that name, and
- the referee has examined:
 - a specified primary identification document for the signatory in that name, or
 - a specified secondary identification document for the signatory in that name and a specified primary identification document for the signatory in a former name of the person, or
 - only a specified secondary identification document for the signatory in that name.

Primary identification documents are:

- birth certificate
- citizenship certificate
- international travel document:
- current passport
 - expired passport which has not been cancelled and was current with the preceding two years
 - other document of identity having the same characteristics as a passport (eg this may include some diplomatic documents and some documents issued to refugees).

Secondary identification documents are documents (other than a primary identification document) which establish the identity of the signatory, eg Australian drivers licence.

Warning: it is an offence under section 21 of the Financial Transaction Reports Act 1988 to make a false or misleading statement.

Categories of Acceptable Referees

1. A member of:
 - (a) the Institute of Chartered Accountants in Australia, or
 - (b) the Australian Society of Certified Practising Accountants, or
 - (c) the National Institute of Accountants.
2. A member of a municipal, city, town, district or shire council of a State or Territory.
3. An employee of a financial institution who is authorised by the financial institution to open accounts with the institution.
4. An agent of a financial institution who is authorised by the financial institution to open accounts with the institution.
5. A full-time employee of:
 - (a) a financial institution (other than an employee mentioned in item 3), or
 - (b) a corporation that is a registered corporation within the meaning of the Financial Corporations Act 1974who has been employed continuously for at least five years by one or more financial bodies.
6. An employee of a bank carrying on business outside Australia:
 - (a) that does not have an authority under section 9 of the Banking Act 1959, and
 - (b) that is engaged in a transaction with a cash dealer, who is authorised by the bank to open accounts with the bank.
7. A full-time employee of a company carrying on insurance business who has been employed continuously for at least five years by one or more companies of that type.
8. A legal practitioner (however described) of a Federal, State or Territory court.
9. A registrar, clerk, sheriff or bailiff of a Federal, State or Territory court.
10. An officer within the meaning of the Defence Act 1903.
11. An individual registered or licensed as:
 - (a) a dentist or,
 - (b) a medical practitioner, or
 - (c) a pharmacist, or
 - (d) a veterinary surgeonunder a law of a State or Territory providing for that registration or licensing.
12. An individual who holds the position of nursing sister and is registered as a nurse under the law of a State or Territory providing for that registration.
13. A diplomatic or consular officer of an Australian Embassy, High Commission or Consulate, in Australia or overseas.
14. A holder of an office established by a law of the Commonwealth, a State or Territory in respect of which annual salary is payable, other than an office mentioned in item 15.
15. A judge or master of a Federal, State or territory court.
16. A stipendiary magistrate of the Commonwealth or of a State or Territory.
17. A justice of the peace or a State Parliament.
18. A member of the Parliament or a State Parliament.
19. A member of the Legislative Assembly of the Australian Capital Territory, the Northern Territory or Norfolk Island.
20. A minister of religion within the meaning of the Marriage Act 1961 who is registered under Division 1 of Part IV of that Act.
21. A notary public.
22. A member of the Australian Federal Police, or of the police force of a State or Territory, who, in the normal course of his or her duties, is in charge of a police station.
23. A member of the Australian Federal Police, or of the police force of a State or Territory, of or above the rank of sergeant.
24. A manager of a post office.
25. An individual employed as an officer or employee by one or more of the following:
 - (a) The Commonwealth, a State or Territory, or
 - (b) an authority of the Commonwealth, a State or Territory, or
 - (c) a local government body of a State or Territorywho has been so employed continuously for a period of at least five years, whether or not the individual was employed for part of that period as an officer and for part as an employee.
26. An individual employed as a full-time teacher or as a principal at one or more of the following educational institutions:
 - (a) a primary or secondary school forming part of the education system in a State or Territory, or
 - (b) an institution listed in section 4 or paragraphs 34(4)(b)-(j) (inclusive) of the Higher Education Funding Act 1988who has been so employed continuously for a period of at least five years.
27. An individual who, in relation to an Aboriginal community:
 - (a) is recognised by the members of the community to be a community elder, or
 - (b) if there is an elected Aboriginal council that represents the community – is an elected member of the council
28. An individual who in an agent of a totalisator agency board if:
 - (a) the individual conducts an agency of the totalisator agency board at particular premises, and
 - (b) that agency is not ancillary to any other business conducted at those premises.
29. A commissioner for oaths of a State or Territory.
30. An individual who is registered as a tax agent under part VIIA of the Income Tax Assessment Act 1936.
31. A member of the Chartered Institute of Company Secretaries in Australia Limited.
32. A member or fellow of the Association of Taxation and Management Accountants.
33. A member of the Institution of Engineers, Australia, other than a member with the grade of student.
34. A fellow member of the National Tax and Accountants' Association Limited.
35. The holder, or an authorised representative/proper authority holder of, a licence under sections 780, 781 or 913B of the Corporations Act 2001 who has known another person for at least 12 months is an acceptable referee in respect of the other person for the purposes of the definition of 'acceptable referee' in subsection 3(1) of the FTR Act.
36. The holder of, or an authorised representative/proper authority holder of, a licence under sections 780, 781 or 913B of the Corporations Act 2001, who has complied with the requirements of section 912A of that Act and ASIC Policy Statement 122 in relation to another person is an acceptable referee in respect of that other person for the purposes of the definition of 'acceptable referee' in subsection 3(1) of the FTR Act.
(In this situation there is no requirement for an existing 12-month relationship).



Tasmanian Perpetual Trustees

Client Services

Security and peace of mind for those who entrust us with:

- Wills and Estate Planning
- Estate and Trust Administration
 - Power of Attorney
 - Funeral Bonds

Wealth building opportunities through investments in our:

- Cash and Income Funds
- Investment Growth Funds

Competitive and flexible lending for:

- Rural, Commercial and Business purposes

Professional and confidential services including:

- Portfolio Administration
- Financial Planning
- Administration under Guardianship and Administration Orders
- Corporate and Custodial Trustees

Through our joint venture with Bendigo and Adelaide Bank:

- Tasmanian Banking Services can provide a full range of complementary banking products and services

Burnie	17 Cattlely St	P: (03) 6440 8440	F: (03) 6440 8446
Devonport	70 Rooke St Mall	P: (03) 6498 7744	F: (03) 6498 7746
Glenorchy	385A Main Rd	P: (03) 6214 7800	F: (03) 6214 7806
Hobart	29 Murray St	P: (03) 6222 1222	F: (03) 6222 1266
Kings Meadows	Shop 2 139-143 Hobart Road	P: (03) 6336 6955	F: (03) 6336 6950
Kingston	Shop 34 Channel Court Shopping Centre	P: (03) 6211 8755	F: (03) 6211 8750
Launceston	23 Paterson St	P: (03) 6348 1111	F: (03) 6348 1166
Rosny	9 Bayfield St	P: (03) 6233 1533	F: (03) 6233 1536
Ulverstone	28A Reibey St	P: (03) 6490 8333	F: (03) 6490 8336