



PRODUCT DISCLOSURE STATEMENT

NTT LAND TRUST ARSN 602 458 720



Contents

1.	Investment Overview	5
2.	Details of Offer	9
3.	Investment Objectives and Investment Strategy of the Fund	20
4.	Fees	22
5.	Risks	26
6.	Responsible Entity's Profile	30
7.	Taxation Information	32
8.	Additional Information	35
9.	Directory	38
10.	Definitions & Glossary	39
11.	Instructions for Completing Application Form	41
	Application Form	45

IMPORTANT NOTICES

Description of this financial product

This is an offer (**Offer**) to acquire Units in a registered managed investment scheme known as the NTT Land Trust ARSN 602 458 720 (**Fund**) that invests in direct real property.

Date of PDS

This product disclosure statement is dated 17 December 2014.

Responsible Entity and issuer of this financial product

Huntley Management Limited ABN 52 089 240 513 (**Responsible Entity**) AFSL No. 229754 is the responsible entity and issuer of this Product Disclosure Statement (**PDS**). Our contact details are listed in the investment directory section of this PDS.

Disclaimer

The information provided in this PDS is not investment advice and has been prepared without taking into account your investment objectives, financial circumstances and needs. You should read the whole of this PDS and consider all of the risk factors that could affect the performance of the Fund and other information concerning the Units in light of your own particular investment objectives, financial circumstances and particular needs (including financial and taxation issues) before deciding whether to invest in the Fund

An investment in the Fund is subject to investment risk and other risks, including possible loss of income and principal invested. Neither the Responsible Entity nor any other person gives any guarantee or assurance as to the performance of the Fund or the repayment of capital. Some of the risk factors that should be considered by potential investors are set out in Section 5. If you have any questions or are uncertain as to whether the Fund is a suitable investment for you, you should seek professional advice from your stockbroker, accountant, financial adviser or other professional adviser before deciding whether to invest in the Fund.

The Responsible Entity or its associates may invest in, lend or provide other services to the Fund and may be paid fees, including expenses in relation to the Offer and fees in relation to the management of the Fund.

No representations other than this PDS

No person is authorised to give any information or to make any representation in connection with the Offer or the Fund which is not contained in this PDS. Any information or representation that is not in this PDS may not be relied upon as having been authorised by the Responsible Entity or any associate of the Responsible Entity in connection with the Offer.

Except as required by law, and then only to the extent so required, neither the Responsible Entity nor any other person warrants the future performance of the Fund or any return on any investment made pursuant to this PDS.

Offer requirements

You may only invest in the Fund if you have received this PDS in Australia, or downloaded it from our website www.huntleygroup.com.au.

Applications will only be accepted on the basis of the Application Form attached to or accompanying this PDS.

Electronic information

An electronic copy of this document and updates regarding the Fund can be accessed at www.huntleygroup.com.au. We will provide you with free paper copies of this document and updates on request.

Definitions

Words used in this document, which are defined on the inside back cover of this PDS have the meanings there set out, unless the context dictates otherwise.

Offering restrictions apply

No action has been taken to register or qualify the Units or otherwise to permit a public offering of the Units in any jurisdiction outside of Australia. This PDS does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this PDS in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this PDS who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. In particular, the Units have not been and will not be registered under the US Securities Act of 1933, as amended, (the 'US Securities Act') or the laws of any State of the United States and may not be offered or sold within the United States or to, or for the account or benefit of a US Person (as defined in Regulation S of the US Securities Act) except in a transaction exempt from the registration requirements of the US Securities Act or applicable US State securities laws.

Financial amounts and times

All financial amounts contained in this PDS are expressed in Australian currency unless otherwise stated. Some amounts in this document have been rounded and as a result some totals may not add up exactly. A reference to time in this PDS is a reference to Sydney, Australia time.

Updating the PDS

Information contained in this PDS is subject to change from time to time and may be updated by the Responsible Entity. Any updated information (which is not materially adverse to investors) will be available from www.huntleygroup.com.au. Where updated information is materially adverse to investors, the Responsible Entity will issue a supplementary PDS.

The Trust

The Trust aims to raise \$710,840 to cover the cost of the purchase of the Initial Investment Property (Moganwo in NT) including legal costs and interest. Units in the Trust will be offered initially to Growers in the NTT Mahogany Project (the **First Timber Project**) and the NTT Mahogany Project 2006-2008 (the **Second Timber Project**) whose woodlots are located on the Trust property - currently 758 woodlots for the First and 1976 woodlots for the Second Timber Projects. Consequently, a total of 710,840 Units are offered - 197,080 Units to First Timber Project Growers and 513,760 Units to Second Timber Project Growers.

How to Apply for a Unit in the Fund

Applications must be a minimum of 260 Units of \$1.00 each (\$260.00 in total). To provide all NTT Growers the opportunity to participate initial allocations will be based on the number of woodlots currently held by Growers - for example if a Grower, in either NTT project, owns 3 woodlots the Grower might apply for 780 units in the Trust ($3 \times 260 = 780 = \$780$).

Investors may seek oversubscriptions however initial allocations will be based on the current woodlot holdings. Subject to the overall applications additional units may be offered to investors seeking additional units. All additional applications are to be in multiples of 260.

Applications can be made in the following manner:

- By completing and returning an Application Form which is attached to or accompanies this PDS in accordance with the Application Form instructions and on the Application Form itself.
- By printing a copy of the PDS and completing and returning a copy of the Application Form in accordance with the instructions set out below and on the Application Form itself. If you wish to obtain a free copy of this PDS, please contact the Fund Information line on +612 9233 5444, or email bill.foxall@huntleygroup.com.au. The PDS is also available in electronic form, for information purposes only, at www.huntleygroup.com.au.

Privacy and Personal Information

The completed Application Form provides personal information about you to the Responsible Entity. The Responsible Entity collects your personal information to process and administer your investment in the Fund and to provide related services to you. If you do not complete the Application Form in full, the Responsible Entity may not accept your Application Form. The Responsible Entity may disclose your personal information, for purposes related to your investment, to its agents or service providers, including the sponsoring broker and registry. You can obtain access to personal information that the Responsible Entity holds about you. To make a request for access, please contact the Responsible Entity on +612 9233 5444.

Please read this document carefully before you make a decision to invest. An investment in the Fund has specific risks which you should consider before making a decision to invest.

1. Investment Overview

This summary is not intended to be exhaustive. For more detailed information, please refer to the relevant section of the PDS, noted in the column on the right. Prospective investors should read the entire PDS and consult their financial or other professional adviser to make an informed decision about whether to invest.

Feature	Description	Section
Type of investment	The Fund is an open-ended unlisted property fund predominantly investing in direct real property which is land on which Grower Woodlots are located. Investment in the Fund should be considered a medium to long term investment.	2.5
Responsible Entity	The Responsible Entity is an experienced responsible entity for managed investment schemes.	6.1
Custodian	Huntley Custodians Limited which holds all Trust property including the Fund's bank accounts on behalf of and as directed by the Responsible Entity	8.3
Minimum investment	The Minimum Investment is \$260.00 per Woodlot ie 260 Units of \$1.00 each Investors may apply for additional Units in multiples of 260 but the Directors reserve the right not to accept such applications to the extent that they exceed the minimum investment.	2.1
Issue Price	The issue price pursuant to this PDS is \$1.00 per Unit.	2.1
Term	Expected to be the first to occur of 30 June 2023 or the date on which the last of the Timber Projects is wound up (subject to right of the Responsible Entity to further extend that date)	2.4

Feature	Description	Section
Investment strategy	The Fund has acquired the Initial Investment Property. If the land on which any of Timber Projects are carried out becomes available, the Fund may seek to also acquire this additional land	3
Gearing policy	The Responsible Entity maintains and complies with a written policy that governs the level of gearing at an individual credit facility level.	2.9 and 2.15
Gearing Ratio	Gearing ratio indicates the extent to which the Fund's total assets are funded by external liabilities. The Fund's investment strategy is to raise sufficient monies through the Offer so as not to have any borrowings.	2.9 and 2.15
Interest cover policy	The Responsible Entity maintains and complies with a written policy that governs the level of interest cover at an individual credit facility level.	2.10 and 2.16
Interest Cover Ratio	The interest cover indicates the Fund's ability to meet interest payments from earnings. The Fund's investment strategy is to raise sufficient monies through the Offer to not to have any borrowings so there will be no interest cover ratio.	2.10 and 2.16
Interest Capitalisation	The interest expense of the scheme is not capitalised	
Valuation policy	The Responsible Entity maintains and complies with a written valuation policy.	2.12
Related party transactions policy	The Responsible Entity maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.	2.13 and 2.19

Feature	Description	Section
Related party transactions	The Responsible Entity has not entered into any related party transactions on behalf of the Fund. The Responsible Entity will not enter into related party transactions unless it complies with the provisions of Chapter 2E as amended by Chapter 5C.7 of the Corporations Act.	2.13 and 2.19
Distribution Practices	<p>The Fund will only pay distributions from its cash from operations (excluding borrowings) available for distribution.</p> <p>The primary purpose of the Fund is capital growth so income distributions are not anticipated in the early years of the term of the Fund.</p> <p>If the Responsible Entity decides to distribute income, the distributions will be payable quarterly, within 28 days of the end of March, June, September and December.</p>	2.6 and 2.14
Trust borrowing	The Fund has borrowed \$590,000 plus legal costs and interest initially to acquire the Investment Property. The monies raised by this Offer will be first applied to discharging this.	2.15
Portfolio diversification	There is no portfolio diversification. The Initial Investment Property was acquired to protect the interests of the Growers in the Timber Projects whose Woodlots are located on the land comprising the Initial Investment Property	2.18 & 3
Withdrawal rights	<p>There is no right of the Unit Holders to withdraw from the Fund or to have their Units redeemed.</p> <p>There is no secondary market or redemption facility for the Units.</p>	2.7

Feature	Description	Section
Fees and costs	<p>The fees for the financial year ending 30 June 2015 is \$12,000 plus GST, plus where applicable additional Transactional and Operational Costs as provided in the Trust Constitution.</p> <p>All fees and costs which relate to the investment in the Fund are described in Section 4.</p>	4
Investment by superannuation funds	<p>Complying and self-managed superannuation funds may invest in the Fund. However, superannuation fund trustee should obtain independent advice and should satisfy themselves that the investment is suitable.</p>	-
Cooling-off	<p>There is no cooling-off period in relation to Applications. Once an Application has been lodged, it cannot be withdrawn.</p>	2.27
Trust communications	<p>Responsible Entity will endeavour to keep investors informed about the performance of the Fund. Responsible Entity will communicate with investors through regular reports by letter or via the website.</p>	2.31
Risks	<p>An investment in the Fund is subject to the usual risks associated with property investment. The key risks are:</p> <ul style="list-style-type: none"> • reduced property values; • Growers defaulting under their licence agreements in the Timber Projects thus reducing the income return. <p>Investors must have regard to these risks before investing in the Fund.</p>	5

No guarantee of your investment is given by the Responsible Entity. The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this PDS. We look forward to your participation in the Fund.

2. Details of Offer

2.1 The Offer

There is no Minimum Subscription because the Initial Investment Property has already been acquired by the Trust.

The Offer is for up to a maximum of 710,840 Units in the Fund at an Issue Price of \$1.00 per Unit. The minimum application amount is 260 Units per Woodlot that you hold being a total of \$260.

If all of the investors in the Timber Projects subscribe for Units, then the minimum application amount for the investors will also be the maximum application amount for the investors.

Some investors in the Timber Projects will not subscribe for Units and, therefore the Responsible Entity invites oversubscriptions by investors. However the Responsible Entity shall have the absolute discretion whether or not to accept oversubscriptions and to allocate oversubscriptions between investors as it sees fit.

The Responsible Entity currently intends to close the Offer on 28 February, 2015. Subject to the Corporations Act, 2001 the Responsible Entity may vary this closing date (including closing the Offer early) without notice. Accordingly, investors are encouraged to submit their Applications as early as possible.

2.2 Fund Purpose

The Fund was established initially as an unregistered managed investment scheme in order to acquire the Initial Investment Property using borrowed monies. The acquisition of the Initial Investment Property was completed on 12 September 2014.

The funds raised by this PDS will be used to discharge the liability for those borrowed monies with the intention that the Fund will own the Initial Investment Property free or any debt.

2.3 Application of Funds Raised

The funds raised are proposed to be applied as follows:

Application of Funds	Maximum Subscription
Repayment of loan for acquisition of Initial Investment Property	\$ 550,000.00
Repayment of loan for stamp duty and legal costs of acquisition of Initial Investment Property	\$ 40,000.00
Expenses Related to the Offer	\$ 40,000.00
Working capital	\$ 80,840.00
Total	\$ 710,840.00

The estimates of expenditure set out above reflect the Responsible Entity's current intentions. The actual level and break-up of expenditure may differ as a result of be subject to modification on an ongoing basis.

2.4 Term

The Term of the Fund is expected to be until the first to occur of 30 June 2023 or the date on which the last of the Timber Projects is wound up. However the Responsible Entity may extend this date if the circumstances for the sale of the Initial Investment Property are not favourable.

2.5 Structure of Fund

The Fund is a registered managed investment scheme in the form of a unit trust that will invest in direct real property.

The Fund is divided into Units. A unit holder's interest in the Fund is the proportion the total number of Units held by the unit holder in the Fund bears to the total number of Units on issue in the Fund.

The Unit price on application made pursuant to this PDS is \$1.00 per Unit.

The Fund has a Constitution a summary of which is set out in section 8.1 below. A copy of this Constitution is available for a fee of \$10.00 from the Responsible Entity upon request. The same is also registered with ASIC and a copy may also be obtained for a fee from ASIC.

The Fund also has a compliance plan a summary of which is set out in section 8.2 below. This compliance plan is intended to ensure that the Responsible Entity complies with its obligations under the *Corporations Act, 2001*, the financial services laws and its AFS Licence Conditions. Among other things it has procedures set out that monitor the net tangible asset and cash flow requirements for operating the scheme.

2.6 Income Distributions

Income is expected to flow to the Fund from the rent payable on the lease of the land. The rent consists of the licence fees received by the Responsible Entity from Growers in the First Timber Project whose Woodlots are located on the Initial Investment Property.

The Fund will only pay distributions from its cash from operations (excluding borrowings) available for distribution. Therefore any income distributions will depend on whether there is a surplus of gross income over expenditure. If the Responsible Entity decides to distribute income, the distributions will be payable quarterly, within 28 days of the end of March, June, September and December.

The amount of your distribution depends on the amount of income available for distribution, the number of units you hold at the end of the month, and the number of days during the month that you held those units.

Distributions will be paid by direct credit into your nominated account, with a bank, building society or credit union, as provided in the Application Form (at the back of this PDS).

2.7 Withdrawal Rights

Unit Holders cannot withdraw from the Fund or require redemption of their Units in the Fund.

The investment in the Fund is illiquid. There is no secondary market or redemption facility for the Units.

However investors, subject to the Corporations Act and the Constitution, are permitted to sell or transfer the Units at any time to any person.

2.8 Benchmarks

Under ASIC Regulatory Guide RG 46, responsible entities of unlisted property schemes offered to retail investors and in which retail investors have invested should disclose against the benchmarks on an 'if not, why not' basis. This means providing a clear statement that the scheme either:

- (a) meets the benchmark; or
- (b) does not meet the benchmark and providing an explanation of how and why the responsible entity deals with the business factor or issues underlying the benchmark in another way.

The benchmarks and the disclosure made by the Responsible Entity is set out in the following paragraphs 2.9 to 2.14.

2.9 Benchmark 1 - Gearing Policy

Under this benchmark, the responsible entity of an unlisted property trust must maintain and comply with a written policy that governs the level of gearing at an individual credit facility level.

The Responsible Entity complies with this benchmark. The Responsible Entity does maintain and comply with a written policy that governs the level of gearing at an individual credit facility level.

A scheme's gearing ratio indicates the extent to which a scheme's assets are funded by external liabilities. It gives an indication of the potential risks the scheme faces in terms of its level of borrowings due to, for example, an increase in interest rates or a reduction in property values. The higher the gearing ratio, the higher the risk. A lower gearing ratio allows for a higher movement in interest rates and reduction in property values without causing there to be negative equity in the underlying assets of the scheme. For example a gearing ratio of 100% would mean any upward movement of interest rates or reduction in property values would result in negative equity. On the other hand a gearing ratio of 80% would allow for a combined upward movement of interest rates or reduction in property values of up to 20% of the current value of the assets.

The gearing ratio is calculated in accordance with the following formula:

$$\text{Gearing ratio} = \frac{\text{Total interest-bearing liabilities}}{\text{Total assets}}$$

The liabilities and assets used to calculate the gearing ratio will be based on the Fund's latest financial statements. If unit holder' contributions (other than borrowings from unit holders) are classified as liabilities in the financial statements, they are excluded from liabilities in calculating the gearing ratio.

The Fund does not have any material off balance sheet financing.

2.10 Benchmark 2 - Interest Cover

Under this benchmark, the responsible entity of an unlisted property trust must comply with a written policy that governs the level of interest cover at an individual credit facility level.

The Responsible Entity complies with this benchmark. The Responsible Entity maintains and complies with a written policy that governs the level of interest cover at an individual credit facility level.

Interest cover ratio indicates the Fund's ability to meet interest payments from earnings.

The Fund's interest cover ratio is calculated using the following formula and based on the latest financial statements:

$$\text{Interest cover ratio} = \frac{\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses}}{\text{Interest expense}}$$

The interest cover ratio measures the ability of the Fund to service interest on debt from earnings. It is therefore a critical indication of the Fund's financial health and key to analysing the sustainability and risks associated with the Fund's level of borrowing. The higher the interest cover the lesser the risk to unit holders. This is because there is a greater amount of cash available from returns to cover increases in interest rates and decreases in returns.

2.11 Benchmark 3 – Interest Capitalisation

Under this benchmark, the responsible entity of an unlisted property trust must not capitalise its interest expense.

The Responsible Entity complies with this benchmark. The interest expense of the Fund is not capitalised.

2.12 Benchmark 4 – Valuation Policy

Under this benchmark the responsible entity of an unlisted property must maintain and comply with a written valuation policy that requires:

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

The Responsible Entity complies with this benchmark.

The Responsible Entity maintains a panel of valuers who are registered or licensed in the relevant state, territory or overseas jurisdiction in which the property is located (where a registration or licensing regime exists), or otherwise be a member of an appropriate professional body in that jurisdiction and who are independent.

Before any valuer on the panel is appointed to value a property they must not be a related party of the Responsible Entity or its directors or officers or a related party of any vendor of the property, a related party of any investment manager appointed by the Responsible Entity or a related party of any property manager managing the property or related to any person who may earn a commission or fee out of the sale of the property to the Responsible Entity (other than the fee for the valuation report).

Valuations will be done on an “as is” basis only unless the property is a development property in which event the valuation will be done on both an “as is” and “as if complete” basis.

The Responsible Entity will obtain a valuation from a member of the relevant panel at the following times:

- (a) before a property is purchased;
- (b) every three (3) years; and
- (c) within two months after the directors of the Responsible Entity form a view that there is a likelihood that there has been a material change in the value of the property.

In accordance with this policy, the Responsible Entity holds a valuation of the Initial Investment Property. This valuation does not form part of this PDS because of the purpose for which it was obtained. However a copy is available for inspection at the office of the Responsible Entity.

2.13 Benchmark 5 – Related Party Transactions

Under this benchmark, the responsible entity of an unlisted property trust must maintain and comply with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.

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

As at the date of this PDS, the Responsible Entity has not entered into any related party transactions on behalf of the Fund.

The Responsible Entity will not enter into related party transactions unless it complies with the provisions of Chapter 2E as amended by Chapter 5C.7 of the Corporations Act and ASIC regulatory guide RG 76.

2.14 Benchmark 6 - Distribution Practices

Under this benchmark, the scheme will only pay distributions from its cash from operations (excluding borrowings) available for distribution.

The Responsible Entity complies with this benchmark. The Responsible Entity will only pay distributions from its cash from operations (excluding borrowings) available for distribution.

2.15 Disclosure Principle 1 – Gearing Ratio

The Fund's gearing policy is set out in paragraph 2.9 above.

The Fund's gearing ratio under its investment strategy is that:

- (a) borrowings will initially be limited to 100% of the purchase cost of the Initial Investment Property
- (b) if the maximum subscription is raised, borrowings will be nil because the funds raised by the Offer will be used to retire the existing borrowings.

2.16 Disclosure Principle 2 – Interest Cover Ratio

The Fund's interest cover policy is set out in paragraph 2.10 above.

The Fund's investment strategy is to limit interest cover ratio to nil. This is dependent upon the repayment of the borrowings referred to in paragraph 2.17.

2.17 Disclosure Principle 3 - Trust Borrowing

The Fund has borrowed \$590,000.00 for the following:

- The purchase of the Initial Investment Property totalling \$550,000.00.
- Stamp duty, legal costs and interest for the acquisition of the Initial Investment Property of approximately \$40,000.

The monies raised through this PDS are to be applied to discharging these borrowings. If the maximum subscription is met, the whole of these borrowings will be repaid.

However the investment strategy of the Fund limits the gearing ratio as set out in clause 2.9 and interest cover ratio as set out in clause 2.10.

If there are any future borrowings, the interests of unit holders will rank after those of the lenders and creditors.

The Fund will keep investors up to date under its continuing disclosure obligations in relation to any borrowings effected by the Fund from time to time.

If any borrowing is undertaken by the Responsible Entity for the Fund then the disclosure notice will clearly and prominently disclose:

- (a) for each borrowing that will mature in five years or less - the aggregate amount owing and the maturity profile in increments of not more than 12 months;
- (b) for each borrowing that will mature within 12 months or less – the aggregate amount owing and the maturity profile in increments of not more than quarterly;
- (c) for borrowings that will mature in more than five years - the aggregate amount owing;
- (d) the amount (expressed as a percentage) by which either the operating cash flow or the value of the Asset(s) used as security for the facility must fall before the Fund will breach any covenants in any credit facility;
- (e) for each credit facility:
 - (1) the aggregate undrawn amount;
 - (2) the assets to which the facility relates;

- (3) the loan-to-valuation and interest cover covenants under the terms of the facility;
- (4) the interest rate of the facility; and
- (5) whether the facility is hedged;
- (f) details of any terms within the facility that may be invoked as a result of unit holders exercising their rights under the Constitution of the Fund; and
- (g) the fact that amounts owing to lenders and other creditors of the Fund rank before a unit holder's investment in the Fund.

If borrowings and credit facilities will mature within 12 months, the Responsible Entity will make appropriate disclosure to unit holders about the prospects of refinancing or possible alternative actions (e.g. sales of assets or further fundraising). If the Responsible Entity does not have reasonable grounds for commenting on the prospect of refinancing or possible alternative actions, it will say so and explain why to unit holders.

2.18 Disclosure Principle 4 - Portfolio Diversification

The quality of the properties held by an unlisted property scheme, including the quality of leases entered into over those properties, is a key element in the financial position and performance of the scheme. Generally, the more diversified a portfolio, the lower the risk that an adverse event affecting one property or one lease will put the overall portfolio at risk.

In this case there is no portfolio diversification.

The Initial Investment Property has been acquired to protect the interests of the Growers whose Woodlots are located on the Initial Investment Property as Growers in the Timber Projects. If it were not for this acquisition of Initial Investment Property by the Fund, the lease held by the Responsible Entity as responsible entity of the Timber Projects might have been disclaimed by the liquidators for the land owner in accordance with the principles set out in the High Court decision of *Willmott Growers Group Inc v Willmott Forests Limited (Receivers and Managers Appointed) (In Liquidation)* [2013] HCA 51.

2.19 Disclosure Principle 5 – Related Party Transactions

The related party transaction policy is set out in paragraph 2.13 above.

As at the date of this PDS there are no proposed related party transactions.

2.20 Disclosure Principle 6 - Distribution Practices

The distribution policy is set out in paragraph 2.14 above.

No forecasts are made as to proposed distributions to be made.

2.21 Disclosure Principle 7 – Withdrawal Arrangements

See paragraph 2.7 above.

2.22 Disclosure Principle 8 - Net Tangible Assets

This will be calculated once the Offer closes and made available on the website of the Responsible Entity at www.huntleygroup.com.au.

2.23 Taxation

Full details are set out in section 7 of this PDS. In general terms for a Unit Holder who is a an Australian resident and not subject to any legal disability will include in the assessable income for the income year the proportion of the net income of the Fund which the number of Units they hold in the Fund bears to the total number of Units on issue in the Fund.

Where there are net capital gains made by the Fund, a recalculation of those net capital gains is required to be made by the Unit Holder and the effect of those net capital gains of the Fund on their own net capital gains will depend upon the nature of the entity of the Unit Holder. Unit Holders will have to obtain their own independent taxation advice in relation to the effect of the net capital gains made by the Fund on their own taxation position.

This is a summary only and you must read section 7 of this PDS and obtain and rely upon your own independent taxation advice.

2.24 Forecasts

No forecasts are made by the Responsible Entity

2.25 Dispute Resolution

The Responsible Entity takes complaints seriously and aims to resolve them as quickly as possible. If you have a complaint, then you should notify us in writing. The address for this notice is the Complaints Officer, Responsible Entity Suite 301, 37 Bligh Street Sydney NSW 2000. We will promptly acknowledge your complaint, investigate it and decide in a timely manner what action needs to be taken. We will notify you of our decision and any action we take to remedy your complaint. You will also be told what avenues of appeal you have against the decision. If you are not satisfied that your complaint has been properly handled by the Responsible Entity, then you should report your concerns to the Financial Ombudsman Service, 31 Queen Street, Melbourne, VIC, 3000. The Responsible Entity's membership number is 11420.

2.26 Illiquid Investment

Unit Holders may sell or transfer their Units under the terms of the Constitution. It is advisable for Unit Holders to seek their own advice as to any legal or taxation implications of any transfer so contemplated. However, please note that Unit Holders have no right to require their interest in the Fund to be bought by the Responsible Entity or any other person or to have their interests in the Fund redeemed. It is not intended to establish a secondary market for Units in the Fund and therefore the investment is likely to be illiquid.

2.27 Cooling Off

Interests in the Fund will be a managed investment product, that is not liquid in accordance with section 601KA of the Corporations Act, 2001 at the time that they are issued, and therefore pursuant to regulation 7.9.64(e) there is no cooling-off period pursuant to section 1019A of the Corporations Act, 2001 applicable to the issue of interests in the Fund.

2.28 Labour Standards, Environmental Social and Ethical Considerations

The Responsible Entity does not take into account the labour standards, environmental, social and ethical considerations with respect to the selection, retention or realisation of an investment.

2.29 Corporate Governance

- the Fund and the Compliance Plan for the Fund will be audited on an annual basis. .
- the Fund has a compliance committee which presently consists of the following members:
 - John Deloughery- External Member
 - Stephen Law
 - Robert McWilliam – External Member
- the Compliance Committee meets on a quarterly basis.
- the Responsible Entity will report to Unit Holders on an annual basis.

2.30 Allotment and Allocation of Units

In relation to applications for Units, the Responsible Entity reserves the right to allocate to any Applicant a lesser number of Units than that applied for, or to decline any Application. Where no allocation is made to a particular Applicant or the number of the Units allocated is less than the number applied for by an Applicant, surplus Application Monies will be returned to that Applicant. No interest will be paid on refunded Application Monies. Successful Applicants will be notified in writing of the number of Units allocated to them as soon as possible following the allocation. It is the responsibility of Applicants to confirm the number of Units allocated to them. Applicants who sell Units before they receive notice of the number of Units allocated to them do so at their own risk.

2.31 Disclosure

The Fund may be a disclosing entity for the purposes of the Corporations Act, 2001. As such, the Fund will be subject to regular reporting and disclosure obligations. Copies of documents lodged with the ASIC about Fund may be obtained from, or inspected at, any ASIC office. If Fund is a disclosing entity, then you will have the right to obtain a copy of the following documents from the Responsible Entity:

- the annual financial report most recently lodged with the ASIC for Fund.
- any half-year financial report lodged with ASIC for Fund after the lodgement of that annual financial report and before the date of the PDS
- any continuous disclosure notices given by us after the lodgement of that annual report and before the date of this PDS

2.32 Electronic PDS

This PDS may be accessed on the Internet through the Responsible Entity's Website at www.huntleygroup.com.au. Any person accessing the electronic version of this PDS for the purposes of investing in Fund must only access this PDS from within Australia. The Corporations Act, 2001 prohibits any person from passing on to another person the Application Form unless it is accompanied by a hard copy of this PDS or accompanies a complete and unaltered electronic version of this PDS. Investors should read the PDS before completing the Application Form. During the offer period, any person may obtain a hard copy of this PDS on request and without charge by contacting the Responsible Entity. Applications will not be accepted by email or any other electronic means.

2.33 Class orders

If the Responsible Entity is required to prepare documents under subsections 601FC(1B) or (1C) as in force because of ASIC Class Order [CO 13/657] then copies of documents relating to discretions about pricing of interests will be available from the Responsible Entity at no charge.

3. Investment Objectives and Investment Strategy of the Fund

3.1 Initial Investment Property

The Initial Investment Property was acquired by the Fund on 12 September 2014 for a total of \$550,000.00.

The Initial Investment Property is located at 2615 Fleming Road Douglas-Daly Northern Territory being the whole of the land in Survey Plan S2000/223A and Certificate of Title Volume 727 Folio 286. It contains an area of 3,135 hectares.

The Northern Territory land titles records show that prior purchases of the land were as follows:

- (a) on 24/07/2008 for \$2,630,000;
- (b) on 03/08/2005 for \$1,870,000 (including \$187,000 GST)
- (c) on 26/09/2003 for \$2,000,000.

The acquisition of the Initial Investment Property for \$550,000 is at a substantial discount to the sale prices for these prior sales of the Initial Investment Property.

The Initial Investment Property is subject to the following registered encumbrances:

Registered Date	Dealing No.	Description
04/09/2006	621997	Amendment of a Lease or Sublease - conditions varied (621992)
04/09/2006	621992	Sublease to Huntley Custodians Limited - expiring 30/06/2023 (621990)
04/09/2006	621991	Amendment of a Lease or Sublease - conditions varied (621990)
01/09/2006	621990	Lease to NTT Forestry Pty Ltd - expiring 01/07/2023
13/09/2005	589575	Release of Profit a Prendre - Part (585776)
03/08/2005	585776	Creation of Profit a Prendre to Huntley Custodians Limited - expiring 30/6/2012

These encumbrances were registered in relation to the Timber Projects.

Located on the Initial Investment Property are the following Woodlots:

- (a) 1,976 Woodlots with respect to Second Timber Project occupying an area of approximately 531 hectares;
- (b) 748 Woodlots with respect to First Timber Project occupying an area of approximately 172 hectares.

The Growers in First Timber Project pay annual licence fees. For the year ending 30 June 2015, the licence fees payable by those Growers in the First Timber Project whose Woodlots were located on the Initial Investment Property was \$69,436.84 inclusive of GST. However, of this amount, \$29,241.45 inclusive of GST was still unpaid as at 12 September 2014.

The Fund will have income each year equal to the amount of the licence fees actually paid by the Growers in First Timber Project whose Woodlots are located on the Initial Investment Property.

The Fund was only entitled to that proportion of the licence fees payable by the Growers in the First Timber Project whose Woodlots are located on the Initial Investment Property for the year ended 30 June 2015 for the proportion of that year as and from 12 September 2014 when the acquisition of the Initial Investment Property was completed. The former owner was entitled to those licence fees up to 12 September 2014.

The licence fees payable for Growers in Second Timber Project are not paid until the trees on their respective Woodlots are harvested. The Fund will therefore have no income with respect to the licence fees for these Woodlots until harvest.

The only current income for the Initial Investment Property is the licence fees actually received by the Responsible Entity as responsible entity for the First Timber Project.

The Responsible Entity intends to hold the Initial Investment Property until the first to occur of 30 June 2023 or the date on which the last of the Timber Projects is wound up. The Responsible Entity will then seek to sell the Initial Investment Property as vacant land free of encumbrances and free of the trees currently growing on the Woodlots located on that property.

4. Fees

Consumer advisory warning

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.

The above warning is required to be included by law and no warranty is given as to the accuracy of any statement included therein. Investors should read the whole of this PDS in order to understand the effect of the fees and costs on any investment in this Fund.

Explanation and Fees and Costs Template

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

Taxes and insurance costs are set out in another part of this document.

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

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the fund		
<i>Establishment fee</i> The fee to open your investment (1)	Nil	Nil
<i>Contribution fee</i> The fee on each amount contributed to your investment – either by you or your employer (1)	Nil	Nil
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Not Applicable	Not Applicable
<i>Termination fee</i> The fee to close your investment	Nil	Nil
Management costs		
Management Fees	\$1,000 per month indexed to increases in the CPI plus GST	Payable monthly in advance out of the assets of the Fund
Asset Disposal Fee	2% of the net sale price of any Investment after deduction from the gross sale price of any selling costs such as agent's commission and conveyancing fees plus GST	Payable out of the assets of the Fund
Transfer Fee	\$450.00 plus GST	By the transferor of the Units in the Fund
Service fees		
<i>Investment switching fee</i> The fee for changing investment options	Not Applicable	Not Applicable

- (1) This fee includes an amount payable to an adviser. (See "adviser remuneration" under the heading "Additional Explanation of Fees and Costs".)

Additional Explanation of Fees and Costs

1. Service Fees

There are no additional service fees to the fees disclosed in the above table.

2. Performance Fees

There are performance fees as disclosed in the above table.

3. Tax and Insurance Costs

You may incur income tax with respect to your investment in the Fund. You are referred to section 7 in relation to the taxation effects on your investment. However you should obtain your own independent legal and taxation advice in relation to those taxation effects as the situation may vary according to your own personal circumstances.

Therefore there is no benefit of any tax deduction to be passed on to the investor in the form of a reduced fee or cost. Any tax deduction merely reduces the net income of the Fund a proportion of which a unit holder is presently entitled.

4. Adviser Remuneration

We do not pay advisers any commission or other fee for your investment in the Fund

5. Transactional and Operational Costs

The key transactional and operational costs payable are those listed in the above table. The Constitution lists further transactional or operational costs which may be recovered from the Trust Fund.

6. Fee Changes

The Fees may not be changed unless the Constitution is amended. This would require a special resolution of members of the Fund.

7. Flexible Charging Structure

There is no flexible Charging Structure for this Fund.

8. Example Wording and Table

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

Please note that this table is required to be included by law. The size of the investment permitted in the Fund is not as high as the amounts in the table. You will not be able to invest \$5,000 or \$50,000 in the Fund. Investors should therefore read the whole of this PDS in order to understand the effect of the fees and costs on any investment in this Fund and adjust this example to the size of their investment in the Fund.

Table

EXAMPLE		BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING YEAR
Establishment Fee	nil	For every \$5,000 you put in you will be charged nil
PLUS Management Costs	1.714% (ICR)	And for every \$50,000 you have in the fund, you will be charged \$857 each year
EQUALS Cost of fund		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$942.70</p> <p>What it costs you will depend on the fees you negotiate with your financial adviser.</p>

5. Risks

All investments involve varying degrees of risk. While there are many factors that may impact on the performance of any investment, the summary below details some of the major risks that you should be aware of when investing in the Fund.

Returns from investing in the Fund are influenced by a number of risk factors. These risks relate to the nature of the underlying security, the way we conduct our business and the economy generally.

Individually, or in any combination, these risk factors may affect the operation of the Fund and the ability to repay capital and any income distributions. There is no guarantee that the Fund will achieve any particular return. An investment in the Fund should be considered in light of these risks.

Before deciding to invest in the Fund you should read the entire PDS, consider these risk factors, review how these risk factors may impact on your personal circumstances, note that we do not guarantee the repayment of capital or the target return or any particular rate of return. You should seek professional advice from your lawyer, accountant or other professional adviser before deciding whether to invest. While it is not possible to identify every risk factor relevant to investing in the Fund, we have detailed some of the significant risks in this section.

5.1 Market Risk

The value of direct real property may fluctuate from time to time due to market and other conditions. Factors relevant to determining value include supply and demand dynamics in a particular market, rental, occupancy levels and expected yield, and these may change significantly over time for a variety of reasons. Valuations represent only the analysis and opinion of qualified experts at a certain date. Valuations are not guarantees of present or future values. The valuation of a property may be materially higher than the amount that can be obtained from the sale of a property in certain circumstances, such as under a distressed or liquidation sale.

5.2 Leveraging risk

Some investors may borrow against other assets to invest in the Fund. This strategy increases the risk of investing in the Fund. If capital is lost or if we are unable to make distributions of the target, or any returns, then investors who borrow against other assets to invest in the Fund may be left with liabilities under the terms of their borrowings without the capital and returns necessary to extinguish these borrowings.

5.3 Volatility of Returns

Investors will be paid their returns quarterly from rental incomes on the Fund's property assets. Whether there is any return is dependent upon the property occupancy rate which may vary from time to time.

5.4 Environmental Risk

There are no known environmental risks in relation to the property acquired by the Fund. However there may be environmental issues that are not foreseen that may affect the Fund's property. These liabilities may be imposed irrespective of whether or not the Fund is responsible for the circumstances to which they relate. The Fund may also be required to remediate sites with environmental problems. The cost of remediation of sites could be substantial and this may adversely affect its ability to sell the relevant property or to use it as collateral for debt.

5.5 Uncontrolled Events

It is possible that events beyond the control of a party, including fire, flood, earthquake and other acts of God, terrorist attacks and war may lead to a capital loss or a reduction in income, and the Fund's insurance may not cover these acts or events.

5.6 Income and Capital Risk

The Fund is an investment trust which has as its primary assets investments in direct real property. The Responsible Entity does not warrant or guarantee the income or the repayment of capital by investing in the Fund. The Responsible Entity does not warrant or guarantee that there will be a capital gain or that the Fund's property will not decrease in value. There is therefore a risk that there may be no income earned or distributions made and there is a risk that the value of the Fund's property may decline in value and therefore the ability of the Responsible Entity to make income distributions or repay the capital on termination of the Fund.

5.7 Funding Risk

The acquisition of the Fund's property may be partly funded by debt. There is a risk that at the end of the term of the debt, the Responsible Entity may not be able to refinance that debt. In such event the Fund's property may have to be sold to repay that debt which may result in a loss on the sale due to the requirement of a quick sale.

5.8 Interest Rate Risk

Interest rates may fluctuate from time to time which will have an effect on the amount of income available for distribution to Unit Holders where the Fund has borrowed monies to fund any acquisition. A general increase in interest rates will have an adverse effect on the amount of income available because funds will be used to pay the interest on the Fund's borrowings. If the Fund's lenders increase the interest rate charged on borrowings, then the financial performance of the Fund may decline. If there are insufficient funds for the Fund to meet its interest payments, the Fund's lenders may want to enforce their security and sell the Fund's property. However, the Fund's lenders will not be able to ask Unit Holders to contribute any more than their initial investment. The Responsible Entity manages this interest rate risk by monitoring the interest rate on the Fund's loans.

5.9 Conflict of Interest

If conflicts of interest are not managed, then the interests of investors may be affected by the interests of others overriding their interests. However we have a procedure in place to manage conflicts of interest which are set out in the compliance plan for the Fund registered with ASIC. These procedures are as follows:

- (a) Each of our directors and responsible officers must disclose to our compliance officer:
 - (1) details of any Units they or their associates hold or may hold in the Fund;
 - (2) any potential or actual conflicts of interest that may arise by virtue of holding a Unit in the Fund or any other potential or actual conflicts of interest which may arise irrespective of whether a Unit is held.
- (b) The compliance officer obtains from each director and responsible officer prior to appointment and annually thereafter a statement setting out the matters in (a) above;
- (c) We maintain a separate register of Units in the Fund held by us, our affiliates, our directors, responsible officers.
- (d) We maintain a register of any potential or actual conflicts of interest.
- (e) The above registers are available for inspection by any unit holder and the Fund auditors, the compliance committee and ASIC.
- (f) We and our associates, our affiliates and directors are not entitled to vote our Units on a resolution at a meeting of the unit holders if we have an interest in the resolution or matter other than as a unit holder save as proxies if their appointments specify the way they are to vote and they vote that way. Any vote cast contrary to this is null and void.
- (g) Where any potential or actual conflict of interest is identified, whether by virtue of a unit being held in the Fund or otherwise, the compliance officer will liaise with the relevant director or responsible officer to resolve the conflict. If a resolution cannot be achieved then the compliance officer must report the conflict to the compliance committee and the compliance committee must determine how the conflict will be resolved and may do any of the following:
 - (1) require us or the relevant director or responsible officer to implement rectification action to resolve the conflict of interest.
 - (2) obtain independent expert advice.
 - (3) notify ASIC of the proposed or actual conflict of interest.
- (h) If the compliance committee recommends rectification action then the compliance officer must refer the matter back to the compliance committee once the rectification action has been completed for confirmation by the compliance committee the conflict has been resolved.

- (i) If the compliance committee are not satisfied then the process detailed in sub-clause (i) must continue until such confirmation is obtained.

5.10 Long Term Nature of Investment

The Fund should be considered as an illiquid and long-term investment. This is because, even though an Investor's interest in the Fund is transferable subject to conditions, there is no established market for these interests and the expected term of the investment until harvest is approximately 8-10 years. The long term nature of this investment inevitably involves greater uncertainty than shorter term investments. Consequently, it is not possible to estimate the financial return to Investors with certainty.

5.11 Legislative Change

Changes in legislation (including Australian Income Tax Legislation changes) may have an impact on returns from the Fund. Unit Holders are advised to form their own view on the likelihood and impact of any legislative change.

6. Responsible Entity's Profile

6.1 Background

The Responsible Entity and the Custodian are part of the Huntley Group. The Huntley Group provides managed investment services to investors, developers and promoters of managed investments in Australia.

6.2 Board of Directors

The Board of Directors consists of the following persons:

John H Knox - Managing Director

John is a Fellow of the Institute of Chartered Accountants. He practised for twenty years, specialising in the areas of business development, management and tax consultancy. Following the sale of his practice in 1978 John ventured into commerce. He established and took equity interest in companies in construction and property development as well as medical and pharmaceutical fields.

In 1983 John moved to England and subsequently was appointed as managing director of a specialist advertising group that was suffering financial problems. Following a successful restructure and restoration to profitability he moved to new assignments in Gibraltar and Spain. Upon returning to Australia in the mid-90s John has been involved in management consultancies, mainly assisting businesses in financial difficulties.

In 2002 he and Stephen Law established The Huntley Group which provides managed investment services to investors, developers and promoters of managed investments in Australia. The Huntley Group holds an Australian Financial Services Licence and acts as responsible entity, custodian, trustee and/or manager for over forty managed investment projects approved by the Australian Securities and Investments Commission and regulated by the Corporation Act, 2001.

Brian Silvia – Chairman

Brian is a Registered and Official Liquidator and a Registered Trustee in Bankruptcy with 41 years of experience. He is a founding Principal of BRI Ferrier and has worked throughout Australia, New Zealand, South East Asia, Europe and the Cayman Islands. Brian is a Member of the Institute of Chartered Accountants, a Member of the Institute of Company Directors and is a Certified Practising Accountant. He has wide and varied industry experience in agriculture, financial services, logistics, manufacturing, mining, property, retail, tourism and hospitality.

Stephen Law - Company Secretary

Stephen holds a Diploma of Law and is admitted as a solicitor to the Supreme Court of New South Wales. He is a Fellow of the Australian Insurance Institute.

He has had more than 20 years' experience as a company secretary and corporate counsel specialising in corporate and administrative management of small to medium sized listed public companies. In addition to company secretarial functions, he has

been widely involved in the development of managed investment schemes and the preparation of prospectuses for public offerings.

Emeritus Professor Graham Swain AM - Non Executive Director

Emeritus Professor Graham Swain, AM is the retired Deputy Vice-Chancellor of the University of Western Sydney and Chief Executive Officer UWS Hawkesbury.

He was formerly Principal of the Hawkesbury Agricultural College; foundation Dean of Applied Science of Riverina College of Advanced Education; Associate Professor / Senior Lecturer in Agronomy at University of New England and Research Supervisor / Research Agronomist at Wollongbar Agricultural Research Station of NSW Department of Agriculture. He was a Fulbright Scholar at the University of Maryland.

Graham was appointed a Member of The Order of Australia (AM) in 1991 and a Fellow of the Australian Institute of Agricultural Science and Technology (FAIAST) in 1979. He is also a Fellow of the Australian Institute of Company Directors (FAICD). In May 2000 the University of Western Sydney conferred on him a Doctor of Letters Honoris Causa (Hon. D. Lit.). In 1993 he was the first to be awarded the title of Emeritus Professor by the Board of Governors of the University of Western Sydney. Since retirement he has served as a director of three agricultural production companies.

Antony Resnik- Non Executive Director

Antony is a Principal of BRI Ferrier and a Registered and Official Liquidator with over 22 years' experience attained internationally in a variety of industries. Prior to joining BRI Ferrier he was responsible for establishing the Grant Thornton South Africa insolvency division in 1993 serving as Managing Director for a period of 10 years. Brian is a Member of the Institute of Chartered Accountants, Australia and has a Bachelor of Commerce degree and a Diploma in Insolvency Law and Practice from South Africa.

6.3 Responsible Entity's Experience

Huntley Management Limited has over 15 years' experience acting as a Responsible Entity, Custodian and Trustee providing services for over 40 managed investment projects approved by the Australian Securities and Investments Commission and regulated by the Corporations Act. In these capacities, The Huntley Group represents thousands of private investors.

The projects include residential property investments, commercial property syndicates and trusts, mortgage investment and debenture programs, property development ventures, resource and agricultural investment projects.

Staffed by lawyers, accountants, property professionals and specialist consultants, The Huntley Group seeks to protect the interest of investors in these projects and provide developers and promoters with assistance on regulatory issues relating to the raising and management of capital from private investors.

7. Taxation Information

The summary below only addresses likely tax implications for Australian resident investors who hold Units in the Fund as capital assets.

The summary also relates to the taxation law as it exists at the date of this product disclosure statement and is subject to any future changes in Australian tax laws and tax office rulings.

The taxation consequences for non-resident investors and investors who do not hold their investment on capital account will differ from the treatment outlined below and they should rely upon their own independent legal and taxation advice.

7.1 Australian managed investment trust election

The income tax laws enable the responsible entity to make an irrevocable choice for gains and losses in relation to the following assets to be treated on capital rather than revenue account:

- (a) a share in a company (including a share in a foreign hybrid company);
- (b) a non-share equity interest in a company;
- (c) a unit in a unit trust;
- (d) land (including an interest in land);
- (e) a right or option to acquire or dispose of an asset of a kind mentioned in paragraph (a), (b), (c) or (d).

The Responsible Entity will make that choice in relation to the Fund which will mean any gains or losses made in relation to the land acquired by the Fund will be treated on capital account. This will enable the discount capital gain to apply to any capital gains which can be flowed through to Unit Holders as described below.

7.2 Income tax

The Fund will not be subject to tax on the Fund's net income unless the Fund derives net income to which no beneficiary is presently entitled. The Unit Holders in the Fund will collectively be presently entitled to the full net income of the Fund.

Therefore:

- the Fund will not be subject to any income tax on the net income of the Fund; and
- investors will be assessed on their share of the net income from the Fund in the same proportion as they share in the accounting income.

However, in the case of Unit Holders who are under a legal disability or a non-resident, the Responsible Entity will be liable to pay tax in respect of the relevant Unit Holder with respect to that Unit Holder's share of the net income of the Fund, as is

attributable to a period that the Unit Holder was a resident, and so much of the share of the net income, as is attributable to a period when the Unit Holder was not a resident and is also attributable to sources in Australia. Non-resident Unit Holders are also subject to tax on their share of the net income but are entitled to a tax credit for the income tax we have paid on that share of the net income.

7.3 Tax Deferred Amounts

A cash distribution may be made to Unit Holders that exceeds their share of the Fund's net income for the particular year. Where that occurs, the excess ("tax deferred amount") is not assessable income of the Unit Holder. Instead, the Unit Holder is required to reduce the cost base of their Units by that tax-deferred amount. The effect is to increase the capital gain (or reduce the capital loss) that would otherwise arise at the time the Unit Holder disposes of their units in the Fund.

If the cost base of a Unit Holder's Units is reduced to "nil" by tax-deferred distributions, further tax deferred distributions received after that time will be assessable as capital gains. The taxable amount of capital gains arising as a result of further tax deferred distributions may qualify for concessional tax treatment as a discount capital gain.

A Unit Holder who has held their units for at least 12 months, will be entitled to reduce the taxable amount of a capital gain (i.e. the amount of the gain reduced by any capital losses available to the Unit Holder) by:

- 50% in the case of units held by individuals (i.e. natural persons) or a trust provided that the trust distributes the gain to an individual;
- 33 1/3 % for Unit Holders who are complying superannuation funds.

Unit Holders that are companies are not eligible for the CGT discount.

7.4 Capital gains

The net income to which a Unit Holder is presently entitled may include a component which is a net capital gain made by the Fund. This net capital gain will be calculated using a 50% discount capital gain. Therefore where a distribution made by the Fund which includes an amount attributable to a discount capital gain, the Unit Holder will be required to gross-up the distribution and then apply any current or prior year capital losses, to arrive at their own net capital gain for the relevant year. Depending upon their individual circumstances, Unit Holders may then be entitled to reduce their net capital gain by the appropriate discount percentage (namely, 50% for individuals or trusts, or 33.33% for complying superannuation entities) to arrive at their assessable net capital gain for that year.

7.5 Disposal of Units

Unit Holders may realise a capital gain or loss on the disposal or redemption of their units in the Fund. A capital gain will arise where the proceeds on disposal or redemption of the units exceed the Unit Holder's cost base, as determined under the CGT provisions. As noted above, the CGT cost base will be reduced by tax deferred distributions.

7.6 Tax File Number (TFN) and Australian Business Number (ABN)

On your application form you must provide us with your TFN or advise us of your TFN exemption. We are authorised to collect your TFN(s) or exemption number(s) which will only be used for tax related purposes in accordance with the Income Tax Assessment Act 1936, Income Tax Assessment Act 1997 and Taxation Administration Act 1974. Alternatively, an ABN may be quoted instead of a TFN where the Units are held as part of a business.

It is not compulsory for you to quote a TFN, TFN exemption or ABN, but if you do not then we are required to deduct tax from any income distribution payable to you at the maximum marginal tax rate plus the Medicare levy and any other applicable government charges. For more information about TFNs and ABNs, please contact the Australian Taxation Office.

We will store your TFN(s) and exemption number(s) securely and as is reasonable in the circumstances. Access to unit holder TFN(s) or exemption number(s) is restricted to authorised employees or agents of the Responsible Entity who require them for legitimate purposes. Unit holder TFN(s) or exemption number(s) will be securely disposed of when no longer required for administrative or legal purposes.

7.7 Tax position of overseas investors

If you are a non-resident, then we will withhold tax from your distributions where these distributions consist of income and capital gains sourced in Australia, even if this income is reinvested as additional Units in the Fund. Tax will be withheld at the rate applicable to non-resident investors. You may be able to claim a credit for this tax in your country of residence.

Individuals either becoming or ceasing to be an Australian resident should seek advice about their particular circumstances.

7.8 Social security

Investing in the Fund may affect social security pension entitlements. The Department of Veteran Affairs (DVA) and Centrelink will classify your investment in the Fund as a financial investment. Therefore it will be included in your income and assets tests. As government policy in this area can change regularly, you should contact your financial adviser, the DVA or Centrelink office for further details on how your investment may affect you.

8. Additional Information

8.1 Summary of Fund Constitution

The Fund is a managed investment scheme in accordance with the Corporations Act and the terms and conditions of the Constitution. When you invest in the Fund you become a Unit Holder of the managed investment scheme.

The Constitution constitutes a contract between the Responsible Entity, and each Unit Holder. It is legally enforceable and sets out the parties' respective rights and responsibilities. A copy of the Constitution will be sent to a Unit Holder if the Unit Holder asks the Responsible Entity, in writing, for a copy and the Unit Holder pays the sum of \$10.00 for provision of the same. This following is a summary only of some of the main provisions.

Consideration Payable by Unit Holder

The consideration payable will be the Issue Price which, for Units issued pursuant to this PDS, is \$1.00 per Unit.

Investment Powers

The Responsible Entity has the power to invest of a natural person.

Complaints Procedure

Complaints by Unit Holder will be investigated and a report will be given to the complainant. If a Unit Holder is not satisfied with the result they may refer the complaint to the Financial Industry Complaints Service of which the Responsible Entity is a member.

Winding up of the Fund

Unit Holders have the right by extraordinary resolution to wind up the Fund. The Responsible Entity may also wind up the Fund if the purpose of the Fund has been accomplished or cannot be accomplished. However, the Responsible Entity must give notice to Unit Holders and ASIC beforehand. Upon a winding up, the Fund Property will be converted into money and, after payment of all costs, the balance will be paid to each Unit Holder in proportion to their interest in the Fund after deduction of any outstanding fees owed by that Unit Holder.

Responsible Entity's Right of Indemnity

The Responsible Entity is indemnified only out of the assets for the time being comprising the Fund Property against liabilities incurred by it in the proper performance of its duties.

Fees

The fees are set out in Section 4 of this PDS.

Power to Borrow

The Responsible Entity has the power of a natural person to borrow but the Responsible Entity may not pledge the credit of the Fund or mortgage or charge any The Fund Property unless the Unit Holder have by ordinary resolution approved of the same.

Unit Holder' Rights to Withdraw from the Fund

Unit Holders do not have any right to withdraw from the Fund or to require their interests in the Fund to be bought by the Responsible Entity or any other person or to have their interests in the Fund redeemed.

Amendment of Constitution

The Constitution may be modified, or repealed and replaced with a new constitution by resolution of the Unit Holder or by the Responsible Entity if it reasonably considers the change will not adversely affect Unit Holder' rights.

There are also other detailed provisions such as appointment of agents, application procedures, transfer of Units, the Unit Holders' Register, Income and Expenses, the Compliance Plan, the duties of the Responsible Entity, the Retirement and Removal of the Responsible Entity, Meetings of Unit Holders, Financial Reports and Records, Appointment of the Scheme Auditor and Compliance Plan Auditor and Insurances. If Unit Holders wish they may obtain a copy from the Responsible Entity upon payment of the sum of \$10.00.

8.2 Summary of Compliance Plan

The Compliance Plan is a document required by the Corporations Act and which has been lodged with ASIC. This Compliance Plan sets out the key processes, systems and measures the Responsible Entity will apply to ensure compliance with the Corporations Act, 2001 including without limitation sections 912A and 912B; the financial services laws, the Scheme Constitution, the AFS Licence Conditions, industry practice standards relevant to the Scheme and internal organisational standards and culture.

The Compliance Plan is a "how to" document, providing sufficient detail on: the obligations which must be met by the Responsible Entity, what measures or procedures are in place to comply with these obligations and how compliance with those measures and procedures will be monitored.

The Compliance Plan also details the risks of not complying with these obligations, and how breaches are to be reported and addressed. The description of measures in place allows the Responsible Entity staff with compliance responsibilities, to identify what procedures they are responsible for monitoring and how often they have to report on compliance or otherwise with those measures.

The Responsible Entity has established a Compliance Committee which meets regularly to monitor the Responsible Entity's compliance and performance of the functions required under the Compliance Plan, the Constitution and the Corporations Act.

8.3 Summary of Custodian Agreement

The Responsible Entity has appointed Huntley Custodians Limited to act as the custodian of the assets of the Fund under a Custodian Agreement dated 19 September 2014.

The Custodian owes a general duty to exercise all due diligence and care in carrying out the responsibilities under the Custodian Agreement.

The specific duties of the Custodian Agreement include:

- Holding the assets of the Fund;
- Opening and maintaining bank accounts to hold all cash (including application money) and income of the Fund;
- Acting on the specific instructions of the Responsible Entity or its authorised personnel.

The Responsible Entity will pay the following fees to the Custodian under that agreement out of the fees it will earn with respect to the Fund.

8.4 Consents

Each of the directors of the Responsible Entity has consented to the issue of this PDS.

9. Directory

Responsible Entity & Issuer of PDS

Huntley Management Limited ABN 52 089 240 513
 Suite 301 3rd Floor
 37 Bligh Street
 SYDNEY NSW 2000
 Telephone +61 2 9233 5444
 Facsimile: 61 2 9233 3119
 Email: sydney@huntleygroup.com.au
 AFSL No. 229754

Custodian

Huntley Custodians Limited
 Suite 301 3rd Floor
 37 Bligh Street
 SYDNEY NSW 2000
 Telephone +61 2 9233 5444
 Facsimile: 61 2 9233 3119
 Email: sydney@huntleygroup.com.au

Scheme Auditor

D.J. Weekes & Co
 211 George Street
 Bathurst NSW 2795

Lawyers & Taxation Advisors

Piper Alderman
 Level 23, Governor Macquarie Tower
 SYDNEY NSW 2000

10. Definitions & Glossary

Terms and abbreviations used in this PDS have the following meaning:

AFSL	Australian Financial Services Licence (issued under the Financial Services Reform Act 2001), required to be held by all financial service providers
Applicant	a person who submits an Application
Application	an application for Units under this PDS;
Application Form	an application form in the form attached to or accompanying this PDS;
ARSN	Australian Registered Scheme Number, issued by ASIC for all registered schemes.
Associate	has the meaning given by Division 2 of the Corporations Act, 2001
ASIC	Australian Securities & Investments Commission;
ATO	Australian Taxation Office
Business Day	a day, other than a Saturday or Sunday, on which banks are open for general banking business in Sydney
EBITDA	earnings before interest, tax, depreciation and amortisation
First Timber Project	the registered scheme known as NTT Mahogany Project ARSN 103 557 517
Fund	the NTT Land Trust ARSN 602 458 720
Grower	a member of the Timber Projects who holds a Woodlot located on the Initial Investment Property
Initial Investment Property	the property at 2615 Fleming Road Douglas Daly in the Northern Territory of Australia being the land in NT Portion 6069 from plan S2000/223A and comprised in Certificate of Title Volume 727 Folio 286
Issue Price	\$1.00 per Unit
LVR	loan to valuation ratio
Unit	a unit issued in the Fund
Unit Holder	the holder of a Unit in Fund

Managed investment scheme	the same meaning as in section 9 of the <i>Corporations Act, 2001</i>
Minimum Application	260 Units per Woodlot for investors in both the First Timber Project and the Second Timber Project
Minimum Subscription	Nil
Offer	the offer of Units in the Fund pursuant to and in accordance with this PDS
Online PDS	The electronic version of this PDS which can be viewed at www.huntleygroup.com.au
PDS	this PDS as modified or varied by any supplementary PDS made by the Responsible Entity with respect to the Fund the subject of an in-use notice lodged with the ASIC from time to time and any electronic copy of this PDS and supplementary PDS
Register	register of Unit Holders
Second Timber Project	the registered scheme known as NTT Mahogany Project 2006-2008 ARSN 118 011 457
Timber Projects	the First Timber Project and the Second Timber Project
Woodlot	a woodlot issued to a Grower with respect to the Timber Projects that is located on the Initial Investment Property

11. Instructions for Completing Application Form

PLEASE READ BEFORE COMPLETING THE APPLICATION FORM ON THE FOLLOWING PAGES

Applications

Applications must be for a minimum of 260 Units and then in multiples of 260 Units thereafter

The Application Price is \$1.00 per Unit so for the minimum application a cheque for \$260 is required with any additional Units being in multiples of \$260 thereafter.

Application Form

Applications must be made on the Application Form attached to or accompanying this PDS. Please complete all parts using block letters.

Anti-Money Laundering and Counter-Terrorism Financing Act – Account Identification Verification Procedures

We will require proof of your identity before accepting any Application for Units in the Fund. This may be done by production of any of the documents referred to in this table with this Application Form:

Type of Applicant	Document Required
Individual	<ul style="list-style-type: none"> ▪ a certified copy of a primary photographic identification document (1) or ▪ both <ul style="list-style-type: none"> ▪ a certified copy of a primary non-photographic identification document (2); and ▪ a certified copy of a secondary identification document (3)
Company	We will obtain a search from the relevant registry to verify the details provided
Trust	We will obtain a search from the relevant registry to verify the details provided in relation to any Trust which is a registered scheme or any information relating to Company trustees or beneficiaries

Original documents are not required as a certified copy is sufficient. This is a photocopy of the document certified as a true copy by any of the following persons:

- a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described) e.g. a solicitor;
- a Justice of the Peace;

- a judge of a court;
- a magistrate;
- a chief executive officer of a Commonwealth court;
- a registrar or deputy registrar of a court;
- a notary public (for the purposes of the Statutory Declaration Regulations 1993);
- a police officer;
- an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- a permanent employee of the Australian Postal Corporation with 5 or more years of continuous service who is employed in an office supplying postal services to the public;
- an Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955);
- an officer with 5 or more continuous years of service with one or more financial institution (for the purposes of the Statutory Declaration Regulations 1993);
- a finance company officer with 5 or more continuous years of service with one or more finance companies (for the purposes of the Statutory Declaration Regulations 1993);
- an officer with, or authorised representative of, a holder of an Australian financial services licence, having 5 or more continuous years of service with one or more licensees.

(1) a primary non- photographic identification document is any of the following:

- a birth certificate or birth extract issued by a State or Territory;
- a citizenship certificate issued by the Commonwealth;
- a birth certificate issued by a foreign government, the United Nations or an agency of the United Nations that, if it is written in a language that is not understood by the person carrying out the verification, is accompanied by an English translation prepared by an accredited translator; or
- a pension card issued by Centrelink that entitles the person in whose name the card is issued, to financial benefits.

(2) a primary photographic identification document is any of the following:

- a licence or permit issued under a law of a State or Territory or equivalent authority of a foreign country for the purpose of driving a vehicle that contains a photograph of the person in whose name the document is issued;

- a passport issued by the Commonwealth;
- a passport or a similar document issued for the purpose of international travel, that: contains a photograph and the signature of the person in whose name the document is issued, is issued by a foreign government, the United Nations or an agency of the United Nations and if it is written in a language that is not understood by the person carrying out the verification - is accompanied by an English translation prepared by an accredited translator;
- a card issued under a law of a State or Territory for the purpose of identification which contains a photograph of the person in whose name the document is issued;
- a national identity card issued for the purpose of identification, that contains a photograph and the signature of the person in whose name the document is issued,) is issued by a foreign government, the United Nations or an agency of the United Nations and if it is written in a language that is not understood by the person carrying out the verification - is accompanied by an English translation prepared by an accredited translator;

(3) a secondary identification document is any of the following:

- a notice that was issued to an individual by the Commonwealth, a State or Territory within the preceding twelve months, contains the name of the individual and his or her residential address and records the provision of financial benefits to the individual under a law of the Commonwealth, State or Territory (as the case may be);
- a notice that was issued to an individual by the Australian Taxation Office within the preceding 12 months, contains the name of the individual and his or her residential address and records a debt payable to or by the individual by or to (respectively) the Commonwealth under a Commonwealth law relating to taxation;
- a notice that was issued to an individual by a local government body or utilities provider within the preceding three months, contains the name of the individual and his or her residential address and records the provision of services by that local government body or utilities provider to that address or to that person.
- a notice that was issued to a minor by a School principal within the preceding three months, contains the name of the minor and his or her residential address and records the period of time that the minor attended at the school.

Payment

The Application Form must be accompanied by a cheque as follows:

Cheque for the full amount payable of \$1.00 per Unit (Minimum of 260 Units and multiples of 260 Units thereafter.)

Cheques are to be crossed "not negotiable" and made payable to:

"Huntley Custodians Limited NTT Land Trust – Applications Account"

Acceptance of Application

The Responsible Entity may in its absolute discretion reject the Application. Each Unit Holder will be notified in writing upon the Application being accepted. However, unless the accompanying cheques are returned within sixty (60) days of receipt, the Application will be considered accepted.

**YOUR APPLICATION MAY BE DECLINED WHERE THE PDS IS
OVERSUBSCRIBED AND THUS ACCEPTANCE OF ANY APPLICATION IS
CONDITIONAL ON THAT EVENT**

Lodging of Application

Application Forms should be lodged at the office of:

Huntley Custodians Limited
Suite 301, 3rd Floor 37 Bligh Street
Sydney NSW 2000

APPLICATION FORM

A. Application

This is the Application Form you must complete if you wish to acquire Units in the Fund.

Please insert the number of Units you wish to apply for (which must be for a minimum of 260 Units and in multiples of 260 Units thereafter.).

Number of Units Requested	
Application Price (\$1.00 per Unit)	

You must include with this Application Form a cheque for the above Application Price drawn to:

"Huntley Custodians Limited NTT Land Trust – Applications Account"

This Application Form together with the above cheque and the required proof of identity in the form referred to in the table in the "Instructions to Applicant(s)" should be sent to:

Huntley Custodians Limited
Suite 301, 3rd Floor
37 Bligh Street
SYDNEY NSW 2000

B. Acknowledgments

By completing signing and forwarding this form to the Responsible Entity the Applicant acknowledges and agrees:

- to be bound by the provisions of the Constitution of the Fund (as amended and as it may be amended from time to time in the future), and acknowledges that neither the Responsible Entity nor the Custodian guarantees the performance of the Fund, or the repayment of capital;
- the subscription is subject to investment risks including the possible loss of income and capital invested, and that the Responsible Entity or any company related to the Responsible Entity, does not in any way guarantee to stand behind the capital value and/or performance of these Units;
- any application for Units can be accepted by the Responsible Entity at any time prior to the closure date in this PDS, and cannot be withdrawn by an intending applicant prior to that date;
- the Responsible Entity may accept any such application by notice in writing to the Applicant.

.....
Applicants Signature(s)

.....
Date

C. Details of Applicant(s)

<i>If Applicant is an individual please provide the following information for each Applicant:</i>	
<i>Applicant 1 details</i>	
Applicant 1 Full Name	
Residential Address	
Applicant Mailing Address	
Applicant Telephone	
Applicant Facsimile	
Applicant Email	
Date of Birth and Place of Birth	
Tax File Number (not compulsory but if not quoted may be TFN withholding tax implications)	
<i>Applicant 2 details (for joint applications)</i>	
Applicant 2 Full Name	
Residential Address	
Applicant Mailing Address	
Applicant Telephone	
Applicant Facsimile	
Applicant Email	
Date of Birth and Place of Birth	
Tax File Number (not compulsory but if not quoted may be TFN withholding tax implications)	
Bank Account Details BSB Number Account Number Account Name	

If you are an individual Applicant you must provide proof of identity in the form referred to in the table in the "Instructions to Applicant(s)" (pages 37-39) which must be attached to this Application Form

----- **Office Use Only** -----

Proof of Identity

- ☐ *Primary Photographic Identification* _____
or
☐ *Primary Non-Photographic Identification* _____
☐ *Secondary Identification* _____

<i>If Applicant is a company please provide the following information:</i>	
Full company name	
ACN	
ABN	
Tax File Number (not compulsory but if not quoted may be TFN withholding tax implications)	
Date of Incorporation	
Registered office in Australia	
If a foreign corporation, the country of registration, registration and registered address in that country	
The full name, address, date of birth and place of birth of each director and secretary of the company	
Director 1	
Director 2	
Director 3	
Director 4	
Director 5	
Secretary	
Applicant (s) Mailing Address	
Applicant (s) Telephone	
Applicant (s) Facsimile	
Applicant (s) Email	
Bank Account Details: BSB Number Account Number Account Name	

<i>If the Applicant is a trust please provide the following information:</i>	
The full name and address of the trustee/s	
The full name of the trust	
Date of establishment of the trust	
Place of residence of the trust	
The ABN of the trust, if applicable	
The Tax File Number of the trust, if applicable (not compulsory but if not quoted may be TFN withholding tax implications)	
The full business name (if any) of the trustee in respect of the trust	
The type of the trust	
The country in which the trust was established	
If any of the trustees is an individual – in respect of any of those individuals, the information requested above for an individual applicant	
If any of the trustees is a company, the same information required of a company applicant above with respect to those company trustee(s)	
The full names and addresses of the beneficiaries of the trust or if the terms of the trust identify the beneficiaries by reference to membership of a class – details of the class	
The full name of the trust manager (if any) or settlor (if any) in respect of the trust.	
Please provide a certified copy of the trust deed	
Applicant (s) Mailing Address	
Applicant (s) Telephone	
Applicant (s) Facsimile	
Applicant (s) Email	
Bank Account Details BSB Number Account Number Account Name	

<i>If the Applicant is a partnership the following information:</i>	
The full name of the partnership	
The full business name (if any) of the partnership as registered under any State or Territory business names legislation	
The country in which the partnership was established	
In respect of any individual partner - the same information required above for an individual Applicant	
The full name and residential address of any partner	
The respective share of each partner in the partnership	
The business of the partnership	
The State or Territory in which the partnership was established	
The date upon which the partnership was established	
Please provide a certified copy or certified extract of the partnership agreement.	
Applicant (s) Mailing Address	
Applicant (s) Telephone	
Applicant (s) Facsimile	
Applicant (s) Email	
Applicant (s) Tax File Number (not compulsory but if not quoted may be TFN withholding tax implications)	
Are you ordinarily resident in Australia?	
If not ordinarily resident in Australia please specify your country of residence including address at which you reside in that country	
The source of your funds including the origin of your funds for investment in the Fund	
Bank Account Details BSB Number Account Number Account Name	