

PRODUCT DISCLOSURE STATEMENT
ISSUED 1 FEBRUARY 2011

LIBERTY TERM INVESTMENT FUND

Fund	Liberty Term Investment Fund (ARSN 141 340 454)
Responsible Entity	Liberty Fiduciary Limited (ABN 80 119 884 623) (AFSL 303137)
Investment Manager	Liberty Financial Pty Ltd (ABN 55 077 248 983) (AFSL 286596)



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Updated information

As highlighted in the Product Disclosure Statement issued on 1 February 2011 by Liberty Fiduciary Limited (**Liberty**) in its capacity as the Responsible Entity of the Liberty Term Investment Fund (**Fund**), Liberty would like to provide you with the following updated information in relation to the Fund:

1. Target Returns

As at the date of this notice, Liberty has revised the Target Returns and Investment Terms for new investments. Table 4 on page 14 of the Product Disclosure Statement is now replaced by the following table:

INVESTMENT TERM	TARGET RETURN PER ANNUM*
6 Months	6.40%
12 Months	7.00%
18 Months	7.00%
2 Year	6.40%
3 Year	6.00%
4 Year	5.80%
5 Year	5.80%

*Specified maximum rate of return.

A Target Return is not guaranteed and risks apply.

2. Contact Details

To speak to one of our friendly representatives at Liberty, please call Investor Services on **13 11 33**. Alternatively, please visit the website at www.liberty.com.au/investments.

IMPORTANT INFORMATION

This Product Disclosure Statement ("PDS") is dated 1 February 2011. The offer to which this PDS relates is only available to persons receiving a copy (paper or electronic copy) in Australia. This offer does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Applications can only be accepted if we receive the completed, current application form which accompanied the electronic or paper copy.

Liberty Fiduciary Limited (ABN 80 119 884 623) (AFSL 303137) ("Liberty Fiduciary") is the issuer of this PDS and the Responsible Entity of the Liberty Term Investment Fund (ARSN 141 340 454) ("Fund"). Liberty Financial Pty Ltd (ABN 55 077 248 983) (AFSL 286596) ("Liberty") is the Investment Manager of the Fund.

This is an important document and you should read it carefully before completing the application form. This PDS contains general information to assist you in making an informed decision about investing in the Fund. It does not constitute advice or contain a recommendation to invest in the Fund. In preparing this document Liberty Fiduciary has not taken into account any individual investor's investment objectives, tax and financial situation or particular needs. Before making an investment decision, it is important that you consider these things. Investors should consider seeking professional advice before investing.

All investments have inherent risk, including a loss of income or capital, a less than expected rate of return on funds invested or a delay in payment. For this reason, none of Liberty Fiduciary, Liberty, their related bodies corporate, or their associates or directors, or Perpetual Corporate Trust Limited (ABN 99 000 341 533) (Authorised Representative Number 266799) ("Custodian") - as custodian and service provider to the Fund, guarantees the capital value, repayment of capital, payment of income or performance of the Fund.



Information in this PDS is subject to change. If the change is not materially adverse, the information will be updated on the website at www.liberty.com.au/invest. A paper copy of any updated information will also be available free of charge from the Responsible Entity.

Liberty Fiduciary may also be required to issue a supplementary product disclosure statement as a result of certain changes, in particular where the changes are materially adverse. This information may include details about investment performance. The Responsible Entity strongly recommends that investors review any such material before making a decision to acquire Units in the Fund.

No person is authorised to give any information or to make any representation in connection with the Fund which is not contained in this PDS. You should not rely on any information or representation not contained in this PDS as having been authorised by the Responsible Entity in connection with the Fund.

TERMS USED FREQUENTLY IN THIS PDS

In this PDS we often use the following terms:

ASIC	Australian Securities and Investment Commission
Business Day	A day other than a Saturday or Sunday on which the trading banks are open for business in Melbourne
Custodian	Perpetual Corporate Trust Limited (ABN 99 000 341 533) (AR 266799)
Constitution	The Constitution of the Fund dated 18 December 2009 (as amended from time to time)
Financier	Secure Funding Pty Ltd, a related party of the Investment Manager
Fund	Liberty Term Investment Fund (ARSN 141 340 454)
Investment Manager	Liberty Financial Pty Ltd (ABN 55 077 248 983) (AFSL 286596)
PDS	This Product Disclosure Statement, issued by Liberty Fiduciary on 1 February 2011
Responsible Entity, we, us or our	Liberty Fiduciary Limited (ABN 80 119 884 623) (AFSL 303137)
Unit	A unit in the Liberty Term Investment Fund
Unitholder/investor	A holder of Unit(s) in the Liberty Term Investment Fund



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1. FUND FEATURES AT A GLANCE

FEATURES		FURTHER INFORMATION	
Fund Objective	To deliver a specified maximum rate of return across a range of fixed Investment Terms.	3.1	
Minimum Investment	\$5,000.		
Target Return	The Target Return is a specified maximum return an investor may receive based on the investment term selected of 1, 2, 3, 4 or 5 years. The Target Returns are not guaranteed.	3.7	
Income Distribution	Monthly distributions either as cash or units through reinvestment.	3.2, 8.1	
Fees and Costs	Entry Fee	\$nil.	7
	Management Fee	1.375%pa (incl GST) of the gross value of the assets of the Fund.	
	Performance Fee	Excess Fund income (if any) after Fund expenses and achievement of Target Returns.	
	Costs	0.50%pa estimated of the gross value of the assets of the Fund.	
Investment Policy	<p>Consumer and business loans secured by residential and commercial property, motor vehicles, equipment, and trade receivables.</p> <p>The Fund will not invest in loans established for the purposes of commercial construction or development, or loans to related parties of the Responsible Entity.</p>	3.4	
Withdrawals	Withdrawals are generally not permitted prior to the end of each Investment Term. Early withdrawals will be considered on a case-by-case basis and may attract a fee or lower return.	9	
Maturity	Maturing investments are anticipated to be repaid within 14 days following the end of the month of maturity. Unless you make a withdrawal request, your investment will continue for a further Investment Term equivalent to the current Investment Term at the prevailing Target Return at the time of maturity. Investors will be notified of the prevailing Target Return at least one month prior to the end of their current Investment Term.	9	
Unit Pricing	Units will be issued at \$1.00 per Unit. Upon withdrawal from the Fund, it is anticipated that investors will receive a capital return of \$1.00 per Unit. However, investments in the Fund are not capital guaranteed, which means that there is a risk that you may receive less than your initial investment. Upon withdrawal, an investor will be entitled to a proportion of the value of the assets of the Fund at the date of withdrawal reflecting their unit holding.	8.2	
Risks	An investment in the Fund is subject to a number of risks which investors should consider before deciding to invest, or continue to invest, in the Fund.	6	

2. ASIC BENCHMARKS

To improve the disclosure of information about unlisted mortgage funds in Australia, ASIC requires mortgage funds to provide information about eight benchmarks. As the Fund holds direct interests in mortgages, it is considered to be a mortgage fund (notwithstanding that some of its investments may not be in residential or commercial property).

The information set out below in benchmarks 1 – 4 and benchmarks 7 - 8 relates to the Fund as a whole, whilst benchmarks 5 and 6 are only relevant to the Fund's investments in residential property and commercial property loans. As ASIC's benchmarks apply to the Fund as a whole, the Fund cannot (and does not) comply with ASIC benchmarks 5 and 6 due to its broader investment policy.

ASIC has issued an independent guide for investors about unlisted mortgage funds called 'Investing in mortgage funds?', which can be obtained from ASIC's website www.fido.gov.au.

2.1 BENCHMARK 1 – LIQUIDITY

Benchmark requirement

ASIC recommends that mortgage funds have cash flow estimates for the next three months, and ensure that at all times a mortgage fund has cash or cash equivalents sufficient to meet its projected cash needs over the next three months. This benchmark addresses the Fund's ability to satisfy withdrawal requests and other short-term operational commitments.

Application of benchmark to the Fund

We maintain cash flow estimates for the next three months (on a rolling basis), and will ensure that at all times the Fund is projected to have cash or cash equivalents sufficient to meet the projected cash needs over the next three months.

When determining the Fund's estimated future cash flows we have regard to:

- ★ the maturity profile of investments;
- ★ new applications expected to be received from investors;
- ★ the proportion of Fund distributions and maturing investments that are typically reinvested;
- ★ Target Returns;
- ★ amounts of cashflows expected to be generated from proposed new investments;
- ★ amounts of undrawn loan commitments to be satisfied by the Financier, which are expected to increase cashflows to be returned to the Fund;
- ★ amounts expected to be received from maturing loans;

- ★ interest and principal payments expected to be received on investments in loans; and
- ★ returns expected to be generated on the Fund's Liquid Assets.

We regularly stress test these assumptions and take into account historical inflows and outflows and regularly revise our cash flow estimates based on this data.

This benchmark applies to all of the Fund's operations.

2.2 BENCHMARK 2 – FUND BORROWINGS

Benchmark requirement

ASIC recommends that if a mortgage fund has borrowings, it should disclose key information including amounts owing, repayment terms and the proposed use of borrowed funds. This benchmark addresses the Fund's policy on borrowing.

Application of benchmark to the Fund

We do not currently expect that any borrowings will be made by the Fund. However, the Constitution permits borrowings and accordingly, the Fund may borrow in the future.

This benchmark applies to all of the Fund's operations.

2.3 BENCHMARK 3 – PORTFOLIO DIVERSIFICATION

Benchmark requirement

ASIC recommends that the nature of a mortgage fund's investment portfolio should be disclosed, including maximum loan amounts, investment assessment methods, and approach to security arrangements. This benchmark addresses the Fund's investment practices and portfolio risk, and in particular, whether the Fund spreads the money it invests between different subject loans and borrowers.

Application of benchmark to the Fund

The Fund's investment policies are outlined in section 3.4 of this PDS. The Fund will comply with this benchmark.

This benchmark applies to all of the Fund's operations.

2.4 BENCHMARK 4 – RELATED PARTY TRANSACTIONS

Benchmark requirement

ASIC recommends that where a mortgage fund transacts with related parties, including lending or investing fund assets, it should disclose its approach to these transactions, including key details and policy and processes. This benchmark addresses the risks associated with related party lending, investments and transactions. Some funds lend to, invest in and transact with associated companies or businesses.

Application of benchmark to the Fund

The Fund does not acquire loans which Secure Funding Pty Ltd (“Financier”) has made to Liberty Fiduciary, Liberty or to any related parties.

Liberty Fiduciary has retained a related party, Liberty, as the Investment Manager, on terms that are at least as favourable as arms-length, commercial terms. Liberty Fiduciary pays the Investment Manager out of the fees that it receives from the Fund as the Responsible Entity.

Liberty Fiduciary has a policy on related party transactions, including arrangements to manage conflicts of interest, and it monitors these regularly. The Responsible Entity, the Investment Manager, and their related parties may hold Units in the Fund from time to time.

This benchmark applies to all of the Fund’s operations.

2.5 BENCHMARK 5 – VALUATION POLICY

Benchmark requirement

This benchmark addresses the Fund’s policy in relation to obtaining valuations on the properties over which mortgages are registered. The valuations mortgage funds rely on are carried out on a variety of bases, with differing assumptions and instructions. ASIC has a number of recommendations in respect of valuations including: properties should be valued on an “as is” basis, a responsible entity should have a clear valuation policy, a panel of valuers should be used with no one valuer conducting more than 1/3 of the mortgage fund’s valuation work, and only registered valuers should be used where possible.

Application of benchmark to the Fund

All properties that are used as security for loans which the Fund will acquire are valued on an ‘as is’ basis. The Financier has a clear policy on how often valuations are obtained for

security properties and has a panel of valuers, none of whom will conduct more than 1/3 of the valuation work for the Fund’s investments.

All valuers used must be appropriately registered and, as a term of their appointment, must comply with all relevant industry standards and codes.

This benchmark only applies to the Fund’s investments in residential and commercial property loans. Therefore, despite ensuring that the Financier adopts a valuation policy which complies with ASIC’s benchmark, the Fund itself cannot comply with the benchmark as the benchmark is a whole of fund benchmark and the Fund can only comply in respect of its investments in residential and commercial property loans.

2.6 BENCHMARK 6 – LENDING PRINCIPLES - LOAN-TO-VALUE POLICIES

Benchmark requirement

This benchmark addresses the Fund’s property-related investment practices. ASIC’s benchmark LVR limit for loans secured by residential property that is not under development is 80%, and for those under construction the LVR limit is 70%.

Application of benchmark to the Fund

The Fund’s investment policy will not comply with this benchmark as the Financier considers it is appropriate to lend money based on a higher LVR, provided additional risks are priced into the loan. The Financier undertakes to maintain the following maximum LVRs for loans which the Fund will acquire (that are secured by real property):

- ★ residential property - 95%; and
- ★ commercial property - 80%.

If the average LVR of the residential property loan portfolio of the Fund exceeds 80%, the Fund will only acquire new loans with LVRs in excess of 80% where the Financier has in place mortgage insurance from which the Fund may benefit to cover any losses that may result from a default of the borrower.

This benchmark only applies to the Fund’s investments in residential and commercial property loans and does not apply on a whole of fund basis.

2. ASIC BENCHMARKS

2.7 BENCHMARK 7 – DISTRIBUTION PRACTICES

Benchmark requirement

ASIC recommends that a mortgage fund disclose the source of any distributions to members, particularly where distributions are financed from sources other than income.

Application of benchmark to the Fund

The Fund will only make distributions from income generated from the Fund's investments.

This benchmark applies to all of the Fund's operations.

2.8 BENCHMARK 8 – WITHDRAWAL ARRANGEMENTS

Benchmark requirement

ASIC recommends that mortgage funds should provide details of whether investors will be able to withdraw from the mortgage fund. This benchmark addresses the transparency of a mortgage fund's approach to withdrawals of investments. Some mortgage funds promote short withdrawal periods to attract investors, although the maximum allowed in the fund's constitution is much longer.

Application of benchmark to the Fund

We have set out in this PDS how investors can access their investment. Withdrawals are generally not permitted prior to the maturity of the Investment Term. However, the Responsible Entity may, in its absolute discretion, allow early withdrawal.

In ordinary circumstances, we intend for the proceeds of any withdrawals to be available within ten business days of the maturity date of the investment. However, investors should be aware the Constitution provides that up to 12 months may be required to process a withdrawal request, as it may take that long to realise the assets of the Fund to finance the withdrawal.

This benchmark applies to all of the Fund's operations.

An updated version of the information in this section will be provided quarterly and be available at www.liberty.com.au/invest.

3. THE FUND

3.1 FUND OBJECTIVES AND PURPOSE

The objectives of the Fund are to provide:

- ★ a specified maximum rate of return paid monthly;
- ★ a choice of Investment Terms; and
- ★ capital stability.

The Fund has been established to acquire a diversified portfolio of consumer and business loans and their related securities originated and managed by Liberty. Each loan in the portfolio is secured (other than operating leases, if any) by residential or commercial property, a motor vehicle, equipment or a trade debtor invoice.

3.2 HOW THE FUND WORKS

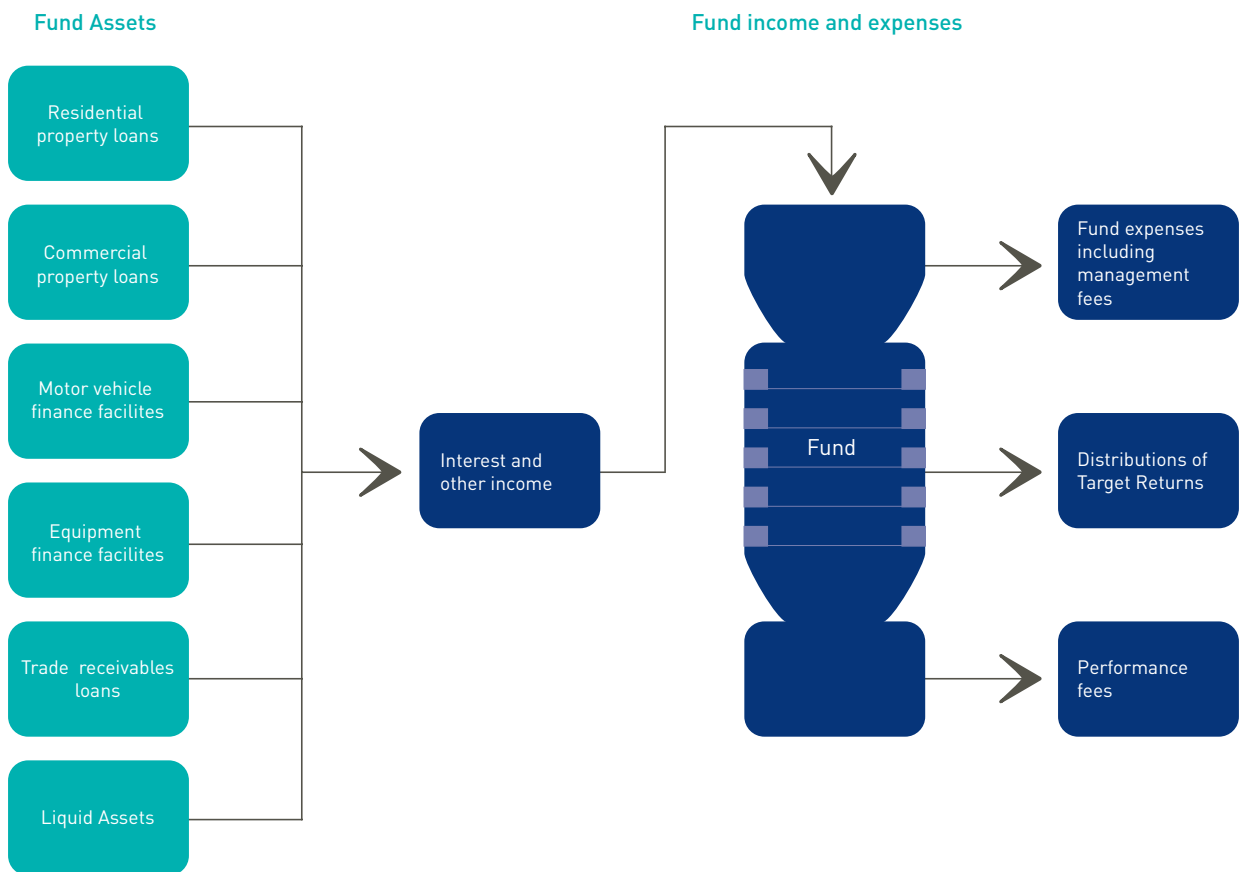
The Fund will acquire loans from the Financier (which is Secure Funding, a wholly owned subsidiary of Liberty and the lender of record) by a process known as equitable assignment. Through this process, the rights and benefits

in respect of the loans and their related securities are transferred to the Fund as beneficial ownership of the asset is transferred to the Fund. The Custodian will maintain a register of these assignments.

Once transfer of the loan and security has been effected, all cash flows from the borrower (loan repayments) and in relation to the security (discharge or enforcement) is collected by the Financier and transferred to the Fund within two business days.

As shown in Figure 1, income earned from the Fund's investments and Liquid Assets is applied first to meet Fund expenses including management fees and then to pay distributions to investors. Subject to investors receiving distributions equal to the relevant Target Returns, performance fees will be payable to the Investment Manager's nominee every six months in the form of a trust distribution. More information about distributions is set out in section 8.1 of this PDS.

Figure 1: How the Fund works



3. THE FUND

3.3 THE KEY ENTITIES IN THE FUND

Liberty Fiduciary is the responsible entity of the Fund and is responsible for dealing with investors and ensuring that the Fund is appropriately managed.

Liberty has been appointed by Liberty Fiduciary to provide investment management services to the Fund. Separately from this role Liberty also originates and services each of the loans in the Fund.

Secure Funding is the Financier from whom the loans and related securities will be purchased by the Fund.

The relationship between these parties is set out below in Figure 2.

3.4 INVESTMENT POLICY

The Responsible Entity (in conjunction with the Investment Manager) is responsible for setting the loan eligibility criteria and portfolio mix parameters for the Fund.

In managing risk, the individual loan eligibility and portfolio criteria has been established to diversify the Fund's exposure to the following risks:

- ★ Property price movements: by utilising maximum LVR parameters and limiting exposures to individual States and Territories, and to mortgages that are secured by properties in inner-city and non metropolitan areas;
- ★ Investment property loans: by limiting the Fund's exposure to loans secured by investment properties;
- ★ Individual borrowers: by limiting the Fund's exposure to amounts lent to any single borrower; and
- ★ Low-doc loans: by limiting the Fund's exposure to borrowers whose income has not been verified through conventional means.

The residential and commercial property loans to be purchased will have the security and portfolio characteristics set out in Table 1. The maximum concentration limits set out in Table 1 only relate to residential and commercial property loans, and not to the assets of the Fund as a whole.

The motor vehicle, equipment and trade receivables loans will have the security and portfolio characteristics set out in Table 2.

Figure 2: Who's who of the Fund

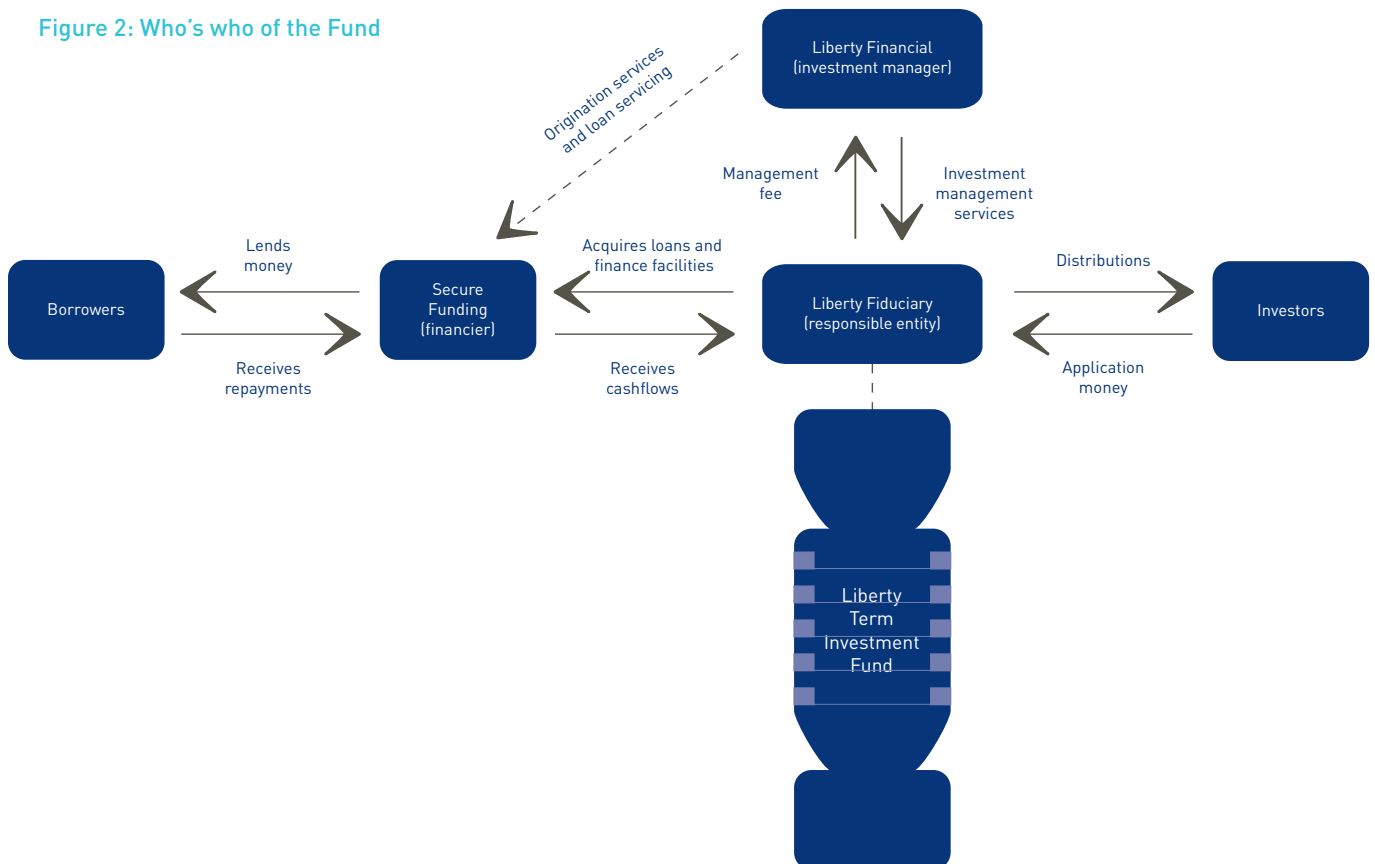


Table 1: Eligibility Criteria - Property Loans

ELIGIBILITY CRITERIA AT THE TIME OF SETTLEMENT	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY
Maximum LVR	95%	80%
Maximum facility size	\$2,500,000	\$5,000,000
Maximum facility term	30 years	30 years
Construction allowed?	Yes	No
Development allowed?	No	No
Security requirement	First registered mortgage	First registered mortgage
MAXIMUM CONCENTRATION LIMITS		
Facilities greater than \$1 million	25%	50%
State or Territory	NSW or VIC 50% QLD 40% SA or WA 30% TAS, ACT or NT 15%	
Income verification	Full Doc 100% Low Doc 50%	
Inner City	10%	
Non Metropolitan	50%	
Property use	Owner occupied 100% Investment 50%	

Table 2: Eligibility Criteria - Other Finance Facilities

ELIGIBILITY CRITERIA AT THE TIME OF SETTLEMENT	MOTOR VEHICLE	EQUIPMENT	DEBTOR INVOICE
Maximum facility size	\$150,000	\$1,500,000	\$10,000,000
Maximum facility term	7 years	7 years	2 years
Security requirement	REVS or Chattel mortgage or Hire purchase agreement Lease	REVS or Chattel mortgage or Hire purchase agreement Lease	Receivables purchase agreement and Fixed and floating charge

3. THE FUND

Table 3: Indicative portfolio by underlying asset type

Loan facility security	Residential Property	Commercial Property	Motor Vehicle	Equipment	Trade Receivables	Cash or other Liquid Assets
Portfolio range	0-75%	0-40%	0-40%	0-20%	0-25%	≥ 10%

The Fund intends to diversify its portfolio by acquiring loans which are secured by a variety of underlying assets (as shown in Table 3).

At least 10% of the Fund’s assets is intended to be held in cash or other Liquid Assets. However, more or less than 10% of the Fund may be held in cash or Liquid Assets at any time, depending upon operational requirements. The Investment Manager may also take into consideration the anticipated investment cash flows and anticipated investor withdrawals in determining the appropriate portfolio mix for the Fund. Accordingly, Table 3 is an indicative guide only.

The Fund may invest in derivatives for the purposes of managing interest rate risk. Derivatives will not be used for speculative purposes or to leverage the Fund.

The Fund will not invest in loans established for the purpose of commercial construction or development or in loans to the Responsible Entity’s or Investment Manager’s related parties.

The Responsible Entity (upon the advice of the Investment Manager) may buy and sell assets provided it is, in the Investment Manager’s opinion, in the best interests of the Fund to do so.

Investment decisions are primarily based on economic factors and neither the Responsible Entity nor the Investment Manager take into account labour standards or environmental, social, or ethical considerations when making investment decisions for the Fund.

3.5 LOAN UNDERWRITING

In assessing whether loans are suitable investments for the Fund, the Investment Manager will assess:

- ★ the credit profile of the customer;
- ★ the ability of the customer to service the loan; and
- ★ the nature and value of the assets securing the loan.

The Financier’s underwriting process is not scale-driven and requires a high degree of customisation. A great deal of time and effort is generally expended to understand each borrower’s specific profile. The application process is designed to gather as much information and supporting documentation in respect of the borrower prior to the application verification process. The amount of information collected regularly exceeds that collected by traditional lenders. The application information together with information gathered from external sources, including but not limited to Veda Advantage, the Australian Securities & Investments Commission, the Land Titles Office and a panel of independent valuers, is captured on the proprietary assessment system utilised by the Financier.

All loan applicants are assessed by the Financier using a rate-for-risk methodology which is incorporated in the proprietary assessment systems. This methodology incorporates a variety of factors that contribute to an application’s overall risk grade via a rules-based system. The Financier believes this rules-based approach provides more insightful and accurate assessment compared to static credit scores.

The considerations applied by the Financier in determining whether to advance a loan are set out below.

3.5.1 Borrower credit profile

Each loan application is subject to a credit analysis to evaluate the risk profile of the borrower or customer. This includes a review of the borrower’s credit history, and an analysis of their assets and liabilities or any other financial commitments. On the basis of this analysis, the borrower is assigned a risk grade. A risk grade may be assigned across a broad spectrum of borrowers, ranging from prime borrowers to those who may have some form of adverse credit history or other factors which may mean that they are unsuitable to other financiers.

3.5.2 Borrower serviceability

With limited exceptions, a detailed assessment of the borrower’s ability to service and meet their obligations

under the loan is undertaken by the Financier.

This process may include a review of the borrower's employment records, financial statements, tax returns, bank statements or BAS records to ensure that there is sufficient evidence to suggest that future payments can be met. In addition, where appropriate, an analysis is completed to consider whether the borrower would be able to make repayments under a loan if a higher interest rate applied in the future. If future income may be subject to greater uncertainty, for risk management purposes, the loan must have a lower LVR in addition to appropriate security.

3.6 SECURITY

In the event of borrower default, the documentation supporting each loan allows the Financier to cause the sale of the underlying security asset. The amounts received by the Financier will then be used to repay any loan amounts outstanding. In addition, the Financier may take any other appropriate action to recover loan amounts outstanding. The nature of the security provided for each loan will vary, however, the typical forms of security are:

Residential and Commercial Property

All residential and commercial property loans are secured by a first registered mortgage over the underlying residential or commercial property. These properties may be sold in the event that the borrower does not comply with the requirements of the loan and the proceeds will be used to repay any amounts outstanding.

Motor Vehicle or Equipment

The security interest for motor vehicle loans and equipment finance is registered and recorded on the Register of Encumbered Vehicles ("REVS") or equivalent register. This is a statutory public register which holds information about motor vehicles and other equipment that have been used as security for a loan. This registration can be used to enforce the repayment of a loan for the benefit of the Fund. Alternatively, security can be effected by a chattel mortgage, a hire purchase agreement or a lease (including both finance and operating leases). These ensure that the underlying asset can be disposed of and the proceeds applied to pay any amounts outstanding. Investors should note that because of the nature of operating leases, additional risks accrue to the Fund if this type of lease is entered into. Refer to the residual value risk in section 6 of this PDS for more information about the additional risks associated with operating leases.

Trade Receivables

Ownership of the underlying assets, which are trade receivables, is transferred to the Financier by a bailment agreement or other receivables purchase agreement. This provides the underlying security for a short term loan. This is often supplemented by a fixed and floating charge over the company that issued the relevant trade receivables.

Maximum LVRs are also employed to manage risk exposure associated with each underlying security.

3.6.1 Security Valuation

All residential and commercial property loans must be supported by a valuation conducted no more than 90 days before the settlement of the loan. All valuations must be conducted by an approved and licensed valuer. The valuation must involve a physical inspection of the property, including the interior of the property, and must consider comparable sales in the area in the six months prior to the valuation, as well as the potential impact of an accelerated sale on any sale price.

Motor vehicle valuations are obtained from a third party information provider commonly used by motor vehicle financiers. Suitable valuations are obtained for other equipment including invoices.

In respect of trade receivables, there is no valuation undertaken in respect of the value of the invoices issued by the borrower at the time of granting the loan. However, only a proportion of the total value of the invoices is made available under the loan.

3.6.2 Security Enforcement

Under the Fund's arrangement with the Financier, the Financier agrees to take all action necessary to recover amounts due under the loans (including via the enforcement of security in the ordinary course of the Financier's business) to ensure that all obligations of the borrower are met. The necessary actions may include, without limitation, commencing legal proceedings and taking possession of security assets.

3.7 INVESTOR RETURNS

Regardless of the performance of the Fund, the maximum amount which an investor can receive is their Target Return. The Target Returns are not guaranteed. Amounts received by the Fund in excess of the Target Returns payable to all investors are retained and paid as a performance fee to a nominee of the Investment Manager.

Target Returns are determined by the Responsible Entity (in

3. THE FUND

consultation with the Investment Manager) having regard to commercial factors such as:

- ★ the returns expected to be generated by the Fund's assets;
- ★ the then current interest rates available on various comparable investment products;
- ★ historical data relating to repayments and defaults;
- ★ the underlying asset mix parameters as set out in the Fund's investment policy;
- ★ the current performance of loans available for acquisition;
- ★ remaining contractual term of loans available for acquisition; and
- ★ current effective yields of loans available for acquisition.

The Responsible Entity will, based on these factors, make an assessment of the returns expected from the Fund's assets over the life of Investment Terms chosen by investors and will set the Target Returns from time to time based on this assessment.

The Target Returns as at the date of this PDS are set out in Table 4.

Table 4: Target Returns

INVESTMENT TERM	TARGET RETURN PER ANNUM
1 Year	7.00%
2 Years	6.40%
3 Years	6.00%
4 Years	5.80%
5 Years	5.80%

Updated Target Returns will be available on our website from time to time at www.liberty.com.au/invest. We will issue a supplementary or replacement PDS if there are any materially adverse changes to the Target Returns available.

3.8 INITIAL INVESTMENT

A related party of the Investment Manager has made an initial investment of \$10 million in the Fund.

This Investment Term chosen by the related party investor is one year. Upon maturity, the Investment Manager has advised the Responsible Entity that this investment will be rolled-over for a further term, if the Investment Manager (in conjunction with the Responsible Entity) considers necessary for Fund liquidity management purposes.

4. THE INVESTMENT MANAGER

The Responsible Entity has appointed Liberty to provide investment management and administration services to the Fund. Liberty is a leading diversified finance company which offers residential property financing, commercial property financing, and motor vehicle, equipment and trade receivables finance.

As Investment Manager, Liberty will:

- ★ identify, evaluate and assess potential investments in accordance with the Fund's investment strategy and policies;
- ★ manage the Fund's portfolio;
- ★ review and monitor the Fund's portfolio performance; and
- ★ provide administration services to the Fund including accounting and reporting to investors.

4.1 LIBERTY

4.1.1 Overview

Liberty was founded in January 1997 to utilise advanced credit assessment skills and implement specialist administration of diversified financial products and services. Liberty's entry point into the market was residential mortgage finance and its business lines have since expanded to include commercial property finance facilities and motor vehicle, equipment and trade receivables finance.

With over 180 staff across Australia and New Zealand, Liberty is an integrated financial services group with operational activities which include loan origination, underwriting and

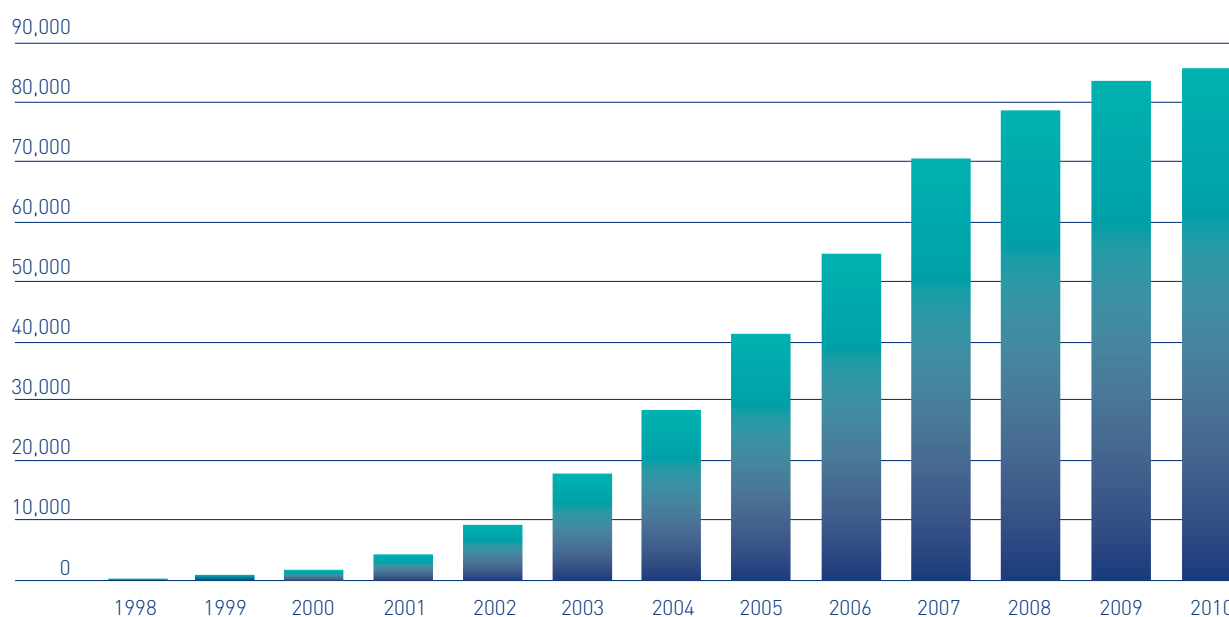
settlements. It also conducts a range of portfolio management activities such as customer servicing, arrears management, asset realisation and loss recoveries. All aspects of operations are underpinned by its proprietary technology platform. This platform enables Liberty to apply its risk-based practices across different products and form risk assessments through the entire lifecycle of a loan portfolio.

Liberty has an experienced management team with substantial banking and finance, risk management and asset management expertise. An overview of the qualifications and background of the directors and relevant senior management of the Investment Manager is set out in sections 4.2 and 4.3. As at 30 June 2010, the Liberty group of companies had total shareholders' equity of in excess of \$200 million.

4.1.2 Lending experience

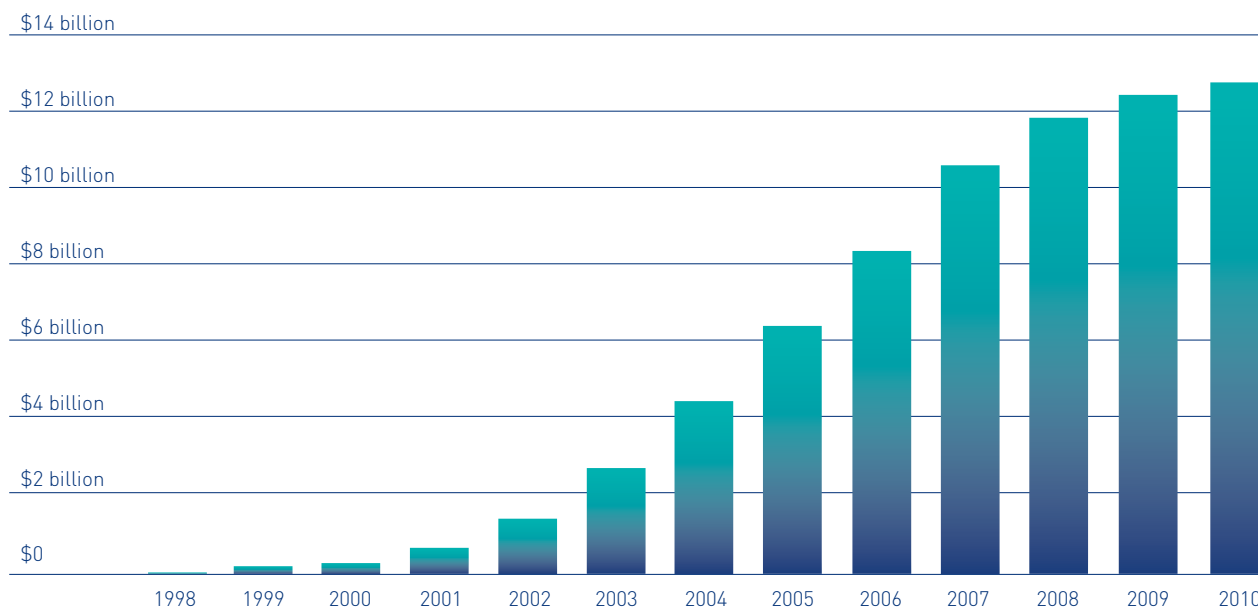
Since commencing operations Liberty (and its related companies) have provided over 85,000 loans (finance facilities) to customers in Australia and New Zealand totalling more than \$12.5 billion in value. This includes over 56,000 residential mortgage finance facilities (totalling more than \$11.5 billion in value), over 600 commercial mortgage finance facilities (totalling more than \$300 million in value) and over 28,000 motor vehicle and equipment finance facilities (totalling more than \$550 million in value). Shown in Figure 3 is the cumulative number of finance facilities that Liberty has serviced since inception, and in Figure 4, the amount advanced since inception. These figures are cumulative in nature and do not represent the current number of customers, finance facilities nor the value of Liberty's current loan portfolio.

Figure 3: Liberty's cumulative facility numbers from inception to 30 June each year



4. THE INVESTMENT MANAGER

Figure 4: Liberty's cumulative amounts lent from inception to 30 June each year



Liberty's dynamic approach and diversified business model has enabled it to operate in a variety of business environments, including the latest global financial crisis. In 2009 Liberty was among a select group of non-bank financial institutions to be awarded mandates by the Commonwealth Government's Australian Office of Financial Management for investments of \$500 million and \$100 million in residential mortgage backed securities issued by Liberty. While this evidences Liberty's experience and reputation in the market, investors should note that an investment in the Fund differs from the residential mortgage backed securities ordinarily issued by Liberty. In particular, investors should note that the assets supporting these investments have different risk characteristics than those of the Fund.

Liberty works with an established and diverse distribution network of third party introducers and brokers who are able to refer customers to Liberty. Focusing on consumer and small business customers, Liberty is able to price finance facilities to a broad spectrum of borrowers through its analysis of credit risk, serviceability and asset quality. Liberty continuously refines its risk assessment framework and operating procedures based on its experience and observations, taking into account its views of current market conditions and customer behaviours.

4.1.3 Loan servicing

Loan servicing includes all customer support activities including the issue of statements and collecting day to day

payments. Liberty provides these services on behalf of its related parties, including Secure Funding. If a loan payment is in arrears, Liberty (as loan servicer) proactively works with customers to minimise or mitigate any potential loss. This may include adjusting the facility repayments or extending the facility term. If the borrower is unable to resolve any default, then Liberty (in conjunction with and enforcing the rights of the relevant Financier) will sell the security asset and use the proceeds to repay any outstanding amounts.

Liberty is recognised as one of Australia's leading servicers across a range of loan types. Liberty has been granted favourable servicer rankings from international ratings agency Standard & Poor's ("S&P") recognising its capabilities across a range of facility types. The current servicer rankings are set out in Table 5.

Table 5: Servicer Rankings

LOAN TYPES	S&P RANKINGS
Residential property loans	STRONG
Motor vehicle loans	STRONG
Commercial property loans	ABOVE AVERAGE

Liberty has not received rankings or assessments in relation to any other facility types (for example, equipment finance or debtor receivables).

Liberty was appointed in 2009 by the Commonwealth Treasury to provide servicing support to the Australian Government's car dealer financing initiative.

4.1.4 Securitisation experience

Since 1998 Liberty has originated similar finance facilities to those into which the Fund will invest. These finance facilities have been pooled into securities in a process called securitisation. These securities have been only available for purchase by institutional investors. Liberty's securitisation issues to date are set out in Table 6.

To date, all issues have made all principal and interest payments when due. However, past performance is not indicative of future performance and no guarantee can be provided that such payments will continue to be made in the future.

This securitisation experience demonstrates Liberty's capabilities in creating income generating investments. However, investors should note that while securitisations are similar to the Fund, there are material differences between the structure of the Fund and securitisation structures which could give rise to additional risks to investors.

4.1.5 Role within the Fund

As Investment Manager, Liberty provides the Fund with experience, infrastructure and key competencies in risk based pricing and loan servicing to assist the Fund in determining which loans it should purchase in order to achieve its investment objectives.

Table 6: Liberty's securitisation issues to date

SECURITISATION ISSUE	UNDERLYING ASSETS	AMOUNT
1999-1 Trust	Residential mortgage loans	\$100 million
2000-1 Trust	Residential mortgage loans	\$100 million
2001-1 Trust	Residential mortgage loans	\$200 million
2002-1 Trust	Residential mortgage loans	\$500 million
2002-2 Trust	Residential mortgage loans	\$400 million
2003-1 Trust	Residential mortgage loans	\$400 million
2003-2 Trust	Residential mortgage loans	\$992 million
2004-1 Trust	Residential mortgage loans	\$1,140 million
2005-1 Auto Trust	Motor vehicle loans	\$100 million
2005-1 Trust	Residential mortgage loans	\$1,200 million
2006-1 Trust	Residential mortgage loans	\$1,450 million
2006-2 Trust	Residential mortgage loans	\$1,300 million
2006-1 Auto Trust	Motor vehicle loans	\$150 million
2007-1 Auto Trust	Motor vehicle loans	\$100 million
2007-1 SME/CMBS Trust	Commercial mortgage loans	\$235 million
2009-1 PRIME Trust	Residential mortgage loans	\$600 million
2009-2 PRIME Trust	Residential mortgage loans	\$126 million
2010-1 Auto Trust	Motor vehicle loans	\$90 million
2010-1 PRIME Trust	Residential mortgage loans	\$200 million

4. THE INVESTMENT MANAGER

4.2 DIRECTORS

Richard Longes – Independent Chairman



Richard was appointed Chairman of Liberty in 2005. He was Deputy Chairman of Lend Lease Corporation Limited and a Director from 1986 to 2005, and Chairman of MLC Ltd until 2000. He was also a Partner in leading law firm Freehills from 1974 to 1988 and a founding Principal of the corporate advisory and private equity group Wentworth Associates. Richard is presently Chairman of Austbrokers Ltd and a non-executive Director of Boral Ltd, Metcash Ltd and Investec Bank (Australia) Ltd. He has Arts and Law degrees from the University of Sydney, Australia, and an MBA from the University of New South Wales, Australia.

Peter Hawkins - Independent Director



Peter was appointed a Director of Liberty in 2006. Prior to this, he spent 34 years at ANZ in a variety of senior roles. Peter is a Director of Visa International, Treasury Corporation of Victoria, Westpac Bank Ltd, Mirvac Group Ltd, Murray Goulburn Co-Operative Co Ltd, Clayton Utz and Camberwell Grammar School. With a Bachelor of Commerce and Administration (Honours) from Victoria University in Wellington, New Zealand, Peter is also a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Bankers and is an Associate of the New Zealand Institute of Chartered Accountants.

Sherman Ma - Managing Director



Sherman was appointed the Managing Director of Liberty in 1997. Before establishing Liberty, Sherman was a Management Consultant with McKinsey & Company where he completed a number of assignments for global financial institutions. Prior to this Sherman was a Fixed Income Analyst with Credit Suisse First Boston and also an Analyst with BlackRock Financial Management. Sherman has an MBA from the Wharton School and was first-in-class in Economics and Operations Research while at the University of Pennsylvania, United States of America.

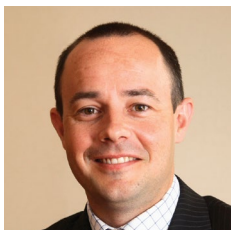
Peter Rollason – Executive Director



Peter was appointed a Director of Liberty in 2006. Prior to this he was a partner at Deloitte where he was the National Banking and Finance Practice Leader. While at Deloitte, Peter advised on various acquisitions in the consumer and specialty finance sector including transactions in the mortgage, asset finance, banking and broking sectors. Prior to Deloitte, Peter held senior executive positions with a number of financial institutions including Salomon Smith Barney (Director), NatWest Markets (Chief Operating Officer, Asia Pacific) and Kleinwort Benson (Chief Financial Officer, Capital Markets). Peter has a Bachelor of Science (Hons) from Liverpool University, United Kingdom, and qualified as a Chartered Accountant in 1982.

4.3 SENIOR MANAGEMENT

James Boyle - Chief Operating Officer



James oversees operations, distribution and strategy across Liberty businesses. He joined Liberty in 2004 from State Street Corporation where he held the position of Vice President in the Zurich branch. In this role he was responsible for product development, business feasibility and operational direction for the bank's European financial and analytics group servicing the funds management, insurance and wealth management sectors. James has an MBA from INSEAD Graduate Business School in France, a Master of Applied Finance from Macquarie University, Australia, and a Bachelor of Business (Accounting) from the Australian Catholic University, Australia.

Lynne Jordan - General Manager, Assured Credit Management



Lynne oversees Liberty's Assured Credit Management ("ACM") team, responsible for Customer Service and Account Management. Prior to joining Liberty, Lynne worked with Ford Credit for over 20 years in Australia and internationally. Her most recent positions were Ford Group Treasurer, Australia and New Zealand, and Director of Operations, Ford Credit Australia. Lynne has a Bachelor of Science (Hons) from the University of Strathclyde, Scotland.

Kendall Mahnken - General Manager, Personal Business



Kendall is responsible for Liberty's residential and motor finance businesses in Australia. In this role she manages all aspects of loan underwriting, settlements and loan operations. She joined the company from National Australia Bank Limited where she held various positions over a 13 year period, including General Manager - Business Lending. Kendall has an MBA from the Australian Graduate School of Management in NSW, a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia and a Bachelor of Business (Accounting) from the University of Tasmania, Australia.

Peter Riedel - General Manager, Finance, Legal, Risk and Treasury



Peter is responsible for Liberty's Finance, Legal, Risk and Treasury functions including liquidity and capital management, financial and statutory reporting, financial and risk management, and portfolio performance and analysis. Prior to joining Liberty in 2007, Peter was a partner in the Corporate Finance team at Deloitte. Peter spent 16 years at Deloitte, including 6 years working in New York and Europe. His focus was on providing advice on mergers and acquisitions, valuations and capital raising to companies in the financial services industry. Peter holds a Bachelor of Economics from Monash University, Australia, and is a Chartered Accountant.

5. THE RESPONSIBLE ENTITY

Liberty Fiduciary was established in 2006 to provide financial services for funds management operations. This entity is a related body corporate of the Investment Manager, and holds an AFSL that permits it to provide management and financial advice and services to the existing businesses of the Liberty group of companies. Liberty Fiduciary's responsibilities and obligations, as the Responsible Entity of the Fund, are governed by the Fund's Constitution as well as the Corporations Act and general trust law.

The directors of Liberty Fiduciary are Mr Richard Longes, Mr Peter Hawkins, Mr Sherman Ma and Mr Peter Rollason, each of whom is also a director of the Investment Manager. More detailed information on the directors of the Responsible Entity may be found in section 4.2 of this PDS.

6. RISKS OF INVESTING IN THE FUND

Risks attaching to an investment in the Fund include:

- ★ you may not receive the Target Return;
- ★ you may lose some or all of your capital; and
- ★ you may receive all of your Target Return and capital, but it may not be paid to you when you expect it.

The degree of risk associated with an investment in this Fund is determined by the financial performance of the loans that are acquired by the Fund and to fluctuations in the value of the underlying security assets. These will be affected by factors including the borrower's ability to repay the amount owing under the loan, the Investment Manager's competence in advising the Responsible Entity in relation to the acquisition of the Fund's assets, fluctuations in the property market and other asset prices generally and fluctuations in market interest rates. These latter two are in turn influenced by external factors outside the Fund's control such as general economic conditions and government policy.

None of the Responsible Entity, the Investment Manager, the Custodian, their employees or directors nor any other related party guarantee the performance of the investments of the Fund or the repayment of capital invested. The Fund is subject to investment and other risks. These could involve delays in repayment or loss of interest and capital, causing investment returns to fluctuate.

A number of risks relevant to the Fund are outlined below.

Liquidity risk

The Fund invests in assets (loans) that are not actively traded and may not be readily convertible to cash without some loss of capital. There are a limited number of industry participants that may purchase such assets, and it is likely that any purchaser would be a related party of the Responsible Entity. As a result there is a risk that the Fund may not be able to fully repay investors immediately upon the maturity of their investments. This may result from, for example:

- ★ the Fund receiving requests from investors seeking to withdraw their investments at maturity; or
- ★ the loans in relation to which the Fund is exposed being repaid, otherwise than as expected.

In circumstances where there is insufficient cash to meet withdrawals we may be required to suspend or amend our withdrawal procedures to allow sufficient time for a more orderly realisation of assets to meet withdrawals.

Credit risk

A customer (or customer's guarantor) may not be able to meet their financial commitments under their loan. This may potentially lead to a loss of income and, should the realised value of the security be less than the loan, a possible loss of capital. A higher level of credit risk is associated, for example, with customers that have some form of adverse credit history or facilities that are not eligible for mortgage insurance.

Information about the credit risk profile of borrowers whose loans the Fund may be exposed to are outlined in section 3.5 of this PDS.

It should also be noted that, to the extent the Fund has exposure to low-doc and non-metropolitan loans (refer to Table 1 in section 3.4 of this PDS), the exposure to such loans is generally considered to be more risky than other loans to which the Fund may have exposure.

Security value risk

Lending secured against assets is subject to risks relating to the ultimate realisation value of the assets, should the borrower default in repayment of the loan. The Fund may lose money if a borrower defaults and the security assets sell for less than the outstanding loan amount, including any unpaid interest and other costs. In particular:

- ★ property values may fall or properties may take longer to be realised due to general and local economic conditions at the time a property is listed for sale, or the property may be poorly maintained;
- ★ motor vehicle values may vary due to a number of factors including the model, make, year of manufacture and the general condition and roadworthiness of a vehicle;
- ★ equipment values may vary due to a number of factors including the make, year of manufacture and general condition of the equipment; and
- ★ invoices used as security may not be recovered due to a borrower's customers being in financial difficulty and defaulting on their obligations.

Residual value risk

Where the Fund invests in loans secured by an arrangement which incorporates an operating lease, there is a risk that returns to the Fund may be lower than returns generated under other lease arrangements. This is due to the nature of operating leases, which essentially means that

6. RISKS OF INVESTING IN THE FUND

the Financier retains the residual risk in the value of the equipment. That is, if the value of the equipment at the end of the operating lease is lower than expected, the Financier will not receive repayment in full. This will have a flow on effect to the cashflows the Fund will receive under such an arrangement.

Interest rate risk

Changes in interest rates can directly and indirectly impact on investment returns. For example, rising interest rates may also lead to higher repayments, which may increase the risk of a borrower defaulting.

The Fund offers Target Returns that are specified for the term of the investment. If interest rates rise then investors will not be able to benefit from those higher rates until their investment matures. If interest rates fall then principal received from maturing loans may not be able to be reinvested at the previously higher rates, which may result in lower returns being available to investors.

Financier risk

As the Fund will acquire loans made by another entity, the Financier, there are risks associated with having an interposed party. There is a risk that the Financier will fail to perform its obligations under the underlying loans or under the assignment of receivables, or that the Financier may become insolvent, which may have an impact on the returns of the Fund.

There is also risk associated with the Financier's arrangements with its service providers, including the servicer of the underlying loans (which is Liberty), as there is no direct contractual link between the Fund and the Financier's service providers (in respect of any services provided to the Financier). These risks include that the service providers may fail to perform their obligations or become insolvent. Any disruption to the services provided to Secure Funding in respect of the loans may have flow on effects to the income of the Fund.

Investment Manager risk

The investment style of the Investment Manager can have a significant impact on the investment returns of the Fund. Investment performance will depend on the skills of the Investment Manager in selecting investments and implementing investment decisions. Changes in the personnel of the Investment Manager may also have an impact on the returns of the Fund.

Responsible Entity risk

Liberty Fiduciary is the responsible entity of the Fund and is responsible for the ongoing management of the Fund. There is a risk that if Liberty Fiduciary is, for any reason, unable to continue operating the Fund, that a new responsible entity would need to be found. In such circumstances, if no new responsible entity (appropriately qualified and licensed) is willing to take over the Fund, then the Fund may need to be wound up.

Fund risk

Fund risk refers to specific risks associated with the Fund, such as termination and changes to fees and expenses. The Constitution of the Fund allows us to terminate the Fund at any time, if we believe it is in the best interests of investors. This may occur for a variety of reasons including, but not limited to, the Fund no longer being able to satisfy its investment objective or strategy.

There is also a risk that investing in the Fund may give different results from holding the underlying assets directly, including as a consequence of investment and withdrawal decisions made by other investors in the Fund.

Market risk

Changes in legal, tax and economic conditions, political events, investor sentiment and market variables such as interest rates, exchange rates and equity indices can all directly or indirectly influence the value of your investment.

Business and counterparty risk

Business risk includes those risks arising from carrying on a complex business. The operation of the Fund requires us, the Investment Manager, the Custodian, counterparties and other service providers to implement sophisticated systems and procedures. The failure of these systems and processes could result in a loss of profit to the Fund and therefore, lower returns to investors.

Regulatory risk

The value, or tax treatment, of an investment of the Fund, or an investment in the Fund, may be adversely affected by changes in government policies (including taxation), regulations and laws, or changes in generally accepted accounting policies or valuation methods.

Documentation risk

A deficiency in documentation (such as documents and contracts associated with loan agreements) could, in certain circumstances, adversely affect investment returns. For example, where a security has not been correctly registered for a loan, documents may not be enforceable due to regulatory breaches. This, in turn, may impact on the returns from the investment the Fund has made in that loan.

Derivative risk

Derivatives may be used by the Fund to manage the risk of interest rate movements. Derivatives are not used to leverage the Fund. Fluctuations in the price of a derivative will reflect movements in interest rates to which the derivatives relate. The use of derivative positions to hedge the risk of interest

rate movements will involve "basis risk", which refers to the possibility that the derivative positions may not move perfectly in line with the interest rates that borrowers pay or investors expect.

Tax risk

Due to the operation of the income tax legislation, there is a risk that the taxable income of the Fund could, from time to time, exceed the cash income which the Fund receives. The Fund must distribute all of its taxable income to investors each year. If taxable income exceeds cash income, then investors could receive a distribution of taxable income without receiving sufficient cash distributions. In this instance, the taxable income distribution would be assessable even though investors have not received cash distributions.

THE FUND'S INVESTMENTS AND YOUR INVESTMENT IN THE FUND ARE SUBJECT TO THESE RISKS. YOU SHOULD SEEK INDEPENDENT FINANCIAL ADVICE BEFORE MAKING AN INVESTMENT DECISION.

7. FEES AND COSTS

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.gov.au) has a managed investment fee calculator to help you check out different fee options.

7.1 FEES AND OTHER COSTS

This section 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. Information on taxation is set out in section 10 of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment. All amounts referred to are inclusive of GST.

Table 7: Fees and costs

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the Fund		
Establishment fee <i>The fee to open your investment</i>	Nil	Not applicable
Contribution fee <i>The fee on each amount contributed to your investment</i>	Nil	Not applicable
Withdrawal fee <i>The fee on each amount you take out of your investment</i>	Nil	Not applicable
Termination fee <i>The fee to close your investment</i>	Nil	Not applicable

Table 7: Fees and costs

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Management costs		
Management Fee <i>The fees and costs for managing your investment</i>	1.375% p.a. of the gross asset value of the Fund	The management fee is paid monthly from the assets of the Fund ¹
Performance fee	Variable	A performance fee will be paid to the Investment Manager every six months to the extent that the Fund's net income exceeds that required to pay investors their Target Returns and meet Fund expenses. The Responsible Entity does not consider that there is any reasonable basis on which an estimate of performance fees may be provided, and that to provide an estimate may be misleading to investors. Accordingly, no estimate is provided
Estimated expense recoveries ²	Variable. Expense recoveries estimated at 0.5% per annum of the gross asset value of the Fund	Paid from the assets of the Fund as and when incurred
Service fees		
Investment switching fee <i>The fee for changing investment options</i>	Nil	Not applicable

¹ From our fee we may, at our discretion, choose to pay a commission to or sponsor various dealer groups that recommend the Fund.

² Refer to the administration costs in the "Additional explanation of fees and costs".

Table 8 - Example of fees and costs

EXAMPLE	BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING YEAR	
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management costs	1.875% p.a. ¹	And, for every \$50,000 you have in the Fund you will be charged \$937.50 each year ²
EQUALS Cost of Fund	1.875% p.a. ¹	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees from: \$937.50 to \$1,031.25 ³

¹ This includes GST.

² Management fees are charged to the Fund, not to investors directly. Target Returns are expressed after Management fees and other costs (including expense recoveries) have already been deducted.

³ Fees will depend on whether the additional investment was at the start or end of the year.

7. FEES AND COSTS

7.2 EXAMPLE OF ANNUAL FEES AND COSTS FOR THE LIBERTY TERM INVESTMENT FUND

Table 8 provides an example of how the fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare these products with other managed investment products.

7.3 ADDITIONAL EXPLANATION OF FEES AND COSTS

7.3.1 Establishment and contribution fees

There are no establishment or contribution fees payable when you invest in the Fund.

7.3.2 Withdrawal fee and termination fee

There are no fees payable when you cease to have an interest in the Fund at the maturity of your investment.

Withdrawals are generally not allowed prior to the maturity of the Investment Term. However, we may, at our absolute discretion, allow early withdrawal, in which case a fee may be payable. We reserve the right to reduce the rate of return payable on an investment should we consent to early withdrawal.

7.3.3 Responsible Entity fee

Under the Constitution, the Responsible Entity is entitled to charge a fee of \$1,000 per annum for acting as responsible entity of the Fund. However, at the date of this PDS, the Responsible Entity intends to waive its right to receive this fee. If the Responsible Entity decides, in the future, to charge this fee, investors will be given 30 days' notice, in writing, of the Responsible Entity's intention to charge the fee, before the fee is introduced.

7.3.4 Management fee

A management fee is payable to the Responsible Entity for administering and managing the Fund and its investments. This is an ongoing fee of 1.375% per annum (including GST) of the gross asset value of the Fund. The management fee is calculated and paid monthly. A simple example is as follows: A \$50,000 investment in the Fund at the current management fee of 1.375% per annum (including GST) would equal a fee of \$687.50 for a 12 month period, assuming there is no variation in the value of the initial investment. In practice, this fee is based on the average of the value of the assets of the Fund at the beginning and end of each month.

The Responsible Entity has entered into a management agreement with Liberty (a related company). The Responsible Entity pays the fees owing to Liberty under the management agreement out of the management fee, which the Responsible Entity receives. Under the Constitution, the Responsible Entity may charge a maximum management fee of 1.513% of the gross assets of the Fund per annum (including GST).

7.3.5 Performance fee

Under the Constitution, the Responsible Entity may issue B class units. At the date of this PDS, Minerva Financial Group Pty Ltd (ACN 124 171 759) (a nominee of the Investment Manager) holds a B class unit. Under the Constitution, the B class unit holder is entitled to receive a trust distribution equal to the excess distributable income (determined by the Responsible Entity) following payment of management fees, Fund expenses and Target Returns.

The performance fee will be accrued monthly but will generally be paid every six months. However, a performance fee will not be paid to the extent that:

- ★ total accrued performance fees at the end of each six month period are less than \$300,000; or
- ★ in a month after a performance fee is accrued but unpaid, there is insufficient income to pay Target Returns, in which case the accrued performance fee will be applied to the extent required to pay Target Returns in that month.

The retention by the Fund of accrued performance fees provides a buffer to protect investors from the risk that Target Returns are not achieved.

The Responsible Entity does not consider there is any reasonable basis on which it may estimate performance fees for the Fund. To estimate performance fees would involve speculation about the future performance of the Fund and the Responsible Entity therefore considers any such estimate to be potentially misleading. Accordingly, no estimate has been provided.

7.3.6 Change in fees

It is possible for the fees and costs to change up to the maximum amount allowed in the Constitution. The maximum management fee payable under the Constitution is 1.375% of the gross assets of the Fund plus GST per annum (being a total of 1.513% of the gross assets of the Fund per annum). If there is any proposed increase, we will advise you in writing at least 30 days prior to the date that the increase takes

effect. Any increase above the maximum amount payable under the Constitution will require an amendment to the Constitution (and therefore, the approval of Unitholders).

This only applies to fees and costs incurred by the Responsible Entity and not to indirect costs or transaction costs, which are subject to change at any time without notice.

7.3.7 Administration costs

The Responsible Entity is entitled to be reimbursed for all reasonable outgoings and disbursements in connection with the operation of the fund. These expenses, which are not expected to exceed 0.5% per annum of the gross value of the Fund assets, typically include costs incurred in relation to auditor's fees, legal fees, property valuations, custodian fees and compliance.

If the Responsible Entity becomes liable for any duty, tax or liability (including bank charges or bank accounts debit tax) which directly relates to a particular investor, it is entitled to deduct the appropriate amount from any money, including any income entitlements payable or credited to that investor.

7.3.8 Indirect Cost Ratio

The Indirect Cost Ratio ("ICR") is the ratio of annual ongoing management costs of the Fund (that are not deducted directly from the Investor's account) to the total average net assets of the Fund.

The annual management cost of the Fund is 1.875% per annum, based on the gross assets of the Fund. As there is no gearing in the Fund, the ICR is also 1.875% per annum.

7.3.9 Advisor remuneration and commission

We may pay commission or sponsorship to those who are engaged to promote the Fund. We will only pay commission to advisors who are authorised to operate under an Australian financial services licence or are otherwise permitted by law to receive such payments.

We will pay any commission from our own resources, and payments may be structured as either upfront only or a combination of upfront and trailing commissions. We do not have a standard rate for upfront fees or trail, and these may be determined at our absolute discretion. We may pay up to a maximum of 0.5% of the balance of funds invested by investors to whom the commission relates. An adviser who receives commission from us will be obliged to disclose this amount to you. Investors may be able to negotiate with their adviser for a rebate of the commissions we pay.

7.3.10 Waiver or deferral of fees

We are entitled to waive or defer the payment of our fees. Any deferred fees are payable if we are removed as responsible entity of the Fund.

7.3.11 Investor Directed Portfolio Services

Individuals investing through an investor directed portfolio service ("IDPS") should be aware that in addition to the fees and charges described above, they will be liable to pay fees to the operator of the service as outlined in the offer document or guide of that IDPS.

We may pay fees to the operator of an IDPS where they provide marketing and product support in relation to the Fund, or we may draw on our own resources to provide marketing and product support to an IDPS.

8. DISTRIBUTIONS AND UNIT PRICING

8.1 DISTRIBUTIONS

Investors should be aware that distributions are not guaranteed and may fluctuate depending on the performance of the Fund.

When you make an investment, we will nominate a maximum rate of return (after fees and costs) which we anticipate meeting over the term or duration of your investment. This is referred to as the Target Return and may be set for Investment Terms of 1, 2, 3, 4 or 5 years. This will be set after analysis by the Investment Manager of the Fund's investment income and considering other factors such as economic and market conditions. For further detail on the basis upon which the Target Returns are established, please refer to section 3.7 of this PDS. The current Target Return applicable for each available term is set out on our website or may be obtained by calling Investor Services on 13 11 80. The Responsible Entity will issue a supplementary or replacement PDS in the event that there is a material adverse change to Target Returns.

The Target Return is the maximum return an investor may receive and is not guaranteed. To the extent that income earned by the Fund in any month is insufficient to pay each investor their Target Return then returns will be apportioned to investors on a pro-rata basis, having regard to differing Target Returns. Any shortfall in payment to investors ("Shortfall Amount") will be carried forward and paid in future months (for so long as the investor remains an investor in the Fund) where excess income (after Target Returns are distributed) is available. To the extent investors do not roll-over any investment upon maturity then they will not be eligible to continue to receive any repayments of any unpaid Shortfall Amounts.

Despite the availability of sufficient income, distributions may not be paid if there is insufficient cash available to make the payment.

Distributions are paid monthly, usually within 14 days after each month end and are calculated daily on a simple interest methodology.

You may choose to have your distributions either:

- ★ paid directly into a nominated bank or financial institution account; or
- ★ reinvested into additional Units in the Fund.

If we are unable to credit your distribution to your nominated account or if you have not nominated an account, we will reinvest your distribution into additional Units in the Fund with the same maturity date as your existing investment (although the Target Return applicable at the time of the distribution reinvestment may differ from the Target Return attached to your initial investment).

If you wish to change your distribution details please send us a written request signed by the investor, by mail or fax, and we will amend your details within five business days of receipt of your notification.

If you do not advise us of your tax file number ("TFN"), we will withhold 46.5% of the gross value of your distribution and pay it to the Australian Taxation Office ("ATO"). Consequently, in this event, you will receive the net amount after tax as a distribution.

Please note that cheques are not issued for the payment of income as distributions will only be paid into your nominated account.

8.2 UNIT PRICING

8.2.1 Application price

The application price for a unit in the Fund is set at \$1.

8.2.2 Withdrawal price

The withdrawal price is derived by dividing the net value of the Fund's assets by the number of issued units (excluding any B class units issued to the Responsible Entity's nominee). Generally, we expect that the withdrawal price will be \$1 per unit. However, in the event that any loans in relation to which the Fund has exposure are impaired or are in default, then the withdrawal price may be less than \$1 per unit. As there is no capital growth in the Fund, the withdrawal price will never exceed \$1 per unit.

9. MATURITY OF INVESTMENT

9.1 MATURITY OF INVESTMENT

We will send you an investment review letter before the maturity date of your investment. This will advise you that your Investment Term is due to expire. The letter will contain the following information:

- ★ your initial investment amount;
- ★ the original Target Return on your investment;
- ★ a summary of all transactions relating to your investment;
- ★ the total distribution amount earned on your investment;
- ★ an estimate of the closing investment balance on the maturity of the Investment Term;
- ★ an estimate of any Shortfall Amount which may be applicable to your investment (and which may be lost in the event you exit the Fund); and
- ★ a copy of the latest PDS for the Fund (if different from the time of your initial investment).

The investment review letter will also set out the new Target Returns that apply at that time. If you do not make a withdrawal request before the maturity date of your investments then your investment in the Fund will automatically continue for a term equal to your previous term (at the prevailing Target Return). If you wish to vary the term or the amount, or if you wish to withdraw your investment, you will need to provide us with instructions.

Each rollover will be made on the terms of the most up to-date PDS.

If you make a withdrawal request and we are unable to credit your withdrawal to your nominated account or if you have not nominated an account, we will issue you cheque for the amount of your withdrawn investment.

In ordinary circumstances, we intend for the proceeds of your investment to be available within 14 days of the maturity date. However, investors should be aware that the Constitution provides that withdrawals may take up to 12 months to be processed, as it may take that long to realise the assets of the Fund.

Circumstances where we may take longer than 14 days to process withdrawals include:

- ★ if there are not enough assets in the Fund which can readily be realised for cash to meet the outstanding withdrawal requests;
- ★ where we believe it is in the best interests of all investors;
- ★ where we are unable to realise assets of the Fund at fair market value due to market disruption or adverse market conditions; or
- ★ where we are unable to properly or fairly calculate the value of the assets of the Fund due to an event beyond our control. For example, if the investments are subject to restrictions or if there is material market uncertainty like a property market crash, we can delay payment for so long as this continues.

9.2 SUSPENSION OF WITHDRAWALS

In certain circumstances, we may also suspend withdrawals beyond 12 months where we believe it to be in the best interests of investors. If this occurs and you remain in the Fund beyond your original Investment Term, then your Target Return will continue to apply until such times as you are able to have your investment withdrawn. If the Fund ceases to be liquid (as defined by the Corporations Act) you will only be able to withdraw your interest in the Fund if we make an offer under Chapter 5C.6 of the Corporations Act.

9.3 EARLY TERMINATION

Withdrawals are generally not allowed prior to the maturity of the Investment Term. However, we may, at our absolute discretion, allow early withdrawal, in which case a fee may be payable. We reserve the right to reduce the rate of return payable on an investment should we consent to early withdrawal.

9.4 MATURING INVESTMENTS FOR INDIRECT INVESTORS

If you have invested as an indirect investor you will need to send your withdrawal request to the operator of your service. The time taken to process a withdrawal request may also vary according to the processing requirement and procedures of your service operator. You should refer to your IDPS operator's disclosure document to understand this.

10. TAXATION

The Australian taxation system is complex and every investor has different circumstances. Accordingly, it is recommended that you seek independent professional taxation advice before you make any investment in the Fund.

The following is a general outline of some of the relevant tax issues and is based on the laws in operation as at the date of this PDS.

10.1 INCOME TAX

The Fund is a resident of Australia for taxation purposes. The Fund intends to distribute all of its net taxable income (after deducting Fund expenses) each year. If this occurs, the Fund will not be subject to tax. If this does not occur, income tax will be paid on any income that is not distributed.

All distributions of income, including amounts that are reinvested, will form part of an investor's assessable income and may be subject to tax. Distributions, including amounts that are reinvested, should be included in an investor's tax return.

In certain circumstances, certain dealings with an investment such as withdrawals and transfers may have tax consequences for an investor. It is recommended that professional taxation advice be sought in relation to such dealings.

10.2 TAX FILE NUMBERS

Quotation of a TFN is not compulsory, but if you do not provide a TFN, tax at the highest personal tax rate (plus Medicare levy) will be withheld from any distribution that you receive or that you reinvest. By quoting your TFN, you authorise the Fund to apply it to your investment and disclose it to the Australian Taxation Office. An investor who invests in the Fund in the capacity of a business may quote an Australian Business Number ("ABN") instead of a TFN.

10.3 GOODS AND SERVICES TAX

GST will not be payable on your investments in the Fund or on distributions you receive from the Fund.

The Fund has been registered for GST so expenses charged to the Fund (including management fees) may include GST. The Fund may not be entitled to claim an input tax credit for the full amount of any GST charged. The GST included in the expenses which is not entitled to an input tax credit represents a net cost to the Fund.

10.4 PENSIONS AND BENEFITS

Investments in the Fund may affect social security entitlements. Investors are urged to seek professional advice or consult Centrelink to determine if the income received from investments in the Fund affects any social security entitlement.

11. HOW TO MAKE YOUR INVESTMENT

11.1 INITIAL INVESTMENT

To make your initial investment, complete the current application form accompanying this PDS and send it to Liberty by mail with your cheque.

Your cheque should be made out to:

Liberty Term Investment Fund

The minimum initial investment in the Fund is \$5,000.

Our address for delivery is:

Liberty Term Investment Fund
Attn: Registry Services
P.O. Box 1034
Melbourne VIC 3000

At the time of making an investment in the Fund, you select a term for your investment and we will specify a Target Return for your investment. It should be noted that this Target Return is a maximum return that an investor may receive and is not a return which is guaranteed to investors. The method for determining the relevant Target Return is set out in section 3.7 of this PDS. The current Target Return for each Investment Term will be available via our website or by contacting Investor Services on 13 11 80.

If we receive your application by 11am (Melbourne time) on a business day, it will be processed that day. If we receive a request after 11am (Melbourne time), or on a non-business day, the request will be treated as if it had been received on the following business day. Please note that Target Returns are determined as at the date that Units are issued and may vary from month to month.

11.2 INDIRECT INVESTORS

Investors and potential investors may access the Fund through a IDPS or IDPS-like service (commonly a master trust or wrap account). We authorise the use of this PDS as disclosure for those who wish to access the Fund through an IDPS where the operator has provided us with a written undertaking in accordance with ASIC requirements.

Such "indirect investors" do not become investors or acquire the rights of an investor of the Fund. The operator of that

service acquires those rights and can exercise them, or decline to exercise them, on behalf of indirect investors. This means that all income, notices, withdrawals, confirmations and regular reports are sent directly to the operator of your service. We do not record any personal information about you. All of this information is recorded by the operator of your service whose obligation it is to inform you about their privacy policy, obligations to protect any personal information and your rights under the Corporations Act.

If you are investing through an IDPS, master trust or wrap account operator, you need to obtain and complete the relevant application forms from that operator. Transaction cut-off times for those indirect investors depend on the transaction cut-off times of their service. No "cooling off" rights apply to indirect investors. Indirect investors should seek appropriate tax advice.

Your primary point of contact for information or resolution of complaints is your service operator.

11.3 COOLING OFF PERIOD

If you decide within a certain period that you do not want the Units we have issued to you in the Fund, we must give you a refund. This "cooling off" right enables you to have your investment returned. Your money will be repaid after any adjustments for tax and reasonable transaction and administration costs. You can exercise your right by writing to us within 14 days, commencing on the earlier of:

- ★ the date on which you receive confirmation of your investment; or
- ★ the 5th business day after the day on which your Units were issued to you.

This right or power terminates immediately if you exercise a right or power under the terms of this product. For any subsequent investments made under a distribution reinvestment plan, the "cooling off" right does not apply. Also, if the Fund is no longer "liquid" for the purposes of Part 5C.6 of the Corporations Act 2001 (Cth), the "cooling off" right does not apply.

If you have any questions about this right please contact your adviser or Investor Services on 13 11 80. Indirect investors should seek advice from their service operator.

12. KEEPING YOU INFORMED

12.1 TRANSACTION CONFIRMATIONS

We will provide written confirmation of each of your transactions. This includes initial and additional investments and reinvestments. Confirmation will be made to you by email, fax or post.

12.2 INVESTMENT REVIEW LETTER

We will send you an investment review letter before the maturity date of your investment. Please refer to section 9 of this PDS for further details.

12.3 ANNUAL FINANCIAL REPORT AND OTHER FUND INFORMATION

The financial reports will be prepared as at 30 June each year and are expected to be available by 30 September. The audited financial statements for the Fund will be published on our website at www.liberty.com.au/invest within three months after 30 June each year. You may also receive, free of charge, a hard copy of the financial statements by contacting Investor Services on 13 11 80.

As a disclosing entity, the Fund is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC (generally annual and half-year financial reports) may be obtained from, or inspected at, an ASIC office. We can also provide you with a hard copy of any continuous disclosure notices given for the Fund after the lodgement of the most recent annual report.

All investor information and communications will be available on the Fund's website, however if you wish to obtain a paper copy, please call Investor Services on 13 11 80 and we will send you a copy of the document within ten business days.

12.4 TAX STATEMENT

A year-end tax statement will be sent to you with tax information as soon as practical after the end of the financial year to help you include the information in your tax return.

12.5 STATEMENT OF TRANSACTIONS

Shortly after each monthly distribution you will receive a statement detailing your transactions and your distributions. On request Investor Services can also provide you with a statement of transactions.

If you are investing as an indirect investor (either through an IDPS or IDPS-like service) your service operator will report to you about your investment. Please refer to them about the frequency and nature of reporting on your investment.

12.6 PERFORMANCE AND PORTFOLIO INFORMATION

Monthly performance data and the latest portfolio composition of the Fund are available on our website at www.liberty.com.au/invest or by contacting Investor Services on 13 11 80.

12.7 COMPLAINTS AND DISPUTE RESOLUTION

If you have a complaint, please notify us in writing or by calling Investor Services on 13 11 80. Under the Fund's Constitution we must acknowledge your complaint within 14 days and follow certain procedures. These are set out on our website at www.liberty.com.au/invest.

If you are not happy with how the complaint has been resolved you may contact the Financial Ombudsman Service of which we are a member. This is an independent body and approved by ASIC to consider complaints. Their number is 1300 780 808.

Before you contact the Financial Ombudsman Service try to resolve your concern with us first by contacting Investor Services by telephone on 13 11 80 or in writing.

12.8 REGISTRY SERVICES

Liberty provides registry services on our behalf to the Fund. Registry correspondence should be mailed to:

Liberty Term Investment Fund
Attn: Registry Services
P.O. Box 1034
Melbourne VIC 3000

or fax: (03) 8613 1920

13. OTHER INFORMATION

The Fund is an open ended, unlisted Australian unit trust. It is registered as a managed investment scheme under Part 5C of the Corporations Act.

None of Liberty Fiduciary, Liberty, their related parties, or the Custodian, guarantees the repayment of your capital or the performance of your investment.

13.1 KEEPING US INFORMED

Our records about you are important. Please inform us in writing of any changes to details which you have given us. Any changes must be signed by all investors. This may be a new postal address, a change of name or new financial institution account details for payments.

Please quote your Investor Number whenever you contact us.

13.2 PRIVACY

You can access, correct or update any personal information we hold about you, subject to some exceptions allowed by law, by contacting Investor Services. If for any reason access is denied the reason will be given. We may charge a reasonable fee for access to your personal information. Please contact Investor Services on 13 11 80 if you have questions about how we handle your personal information. You can also obtain a copy of our Privacy Policy on request.

To find out more about your rights and remedies for breaches of privacy, you can visit the Privacy Commissioner's web site at www.privacy.gov.au or contact the Privacy Commissioner's hotline on 1300 363 992.

13.3 HOW WE USE YOUR INFORMATION

We collect information for the following purposes:

- ★ to process your application;
- ★ to administer your investment and provide you with reports;
- ★ to monitor and improve the quality and timeliness of the service we provide to you; and
- ★ to comply with regulatory or legal requirements, including Australian taxation laws, the Corporations Act and other applicable laws and regulations.

We also ask you for some personal details so that we, and our related companies, can keep in touch with you and tell you about our other products and services that could be useful to you. Please contact us if you do not wish your details to be used for marketing purposes.

13.4 DISCLOSING YOUR INFORMATION

We disclose your information to your consultant or adviser if you complete Section 10 of the application form, or if you request us to, and to any other authorised representative of yours (such as your accountant or lawyer) from time to time. In addition, we may disclose information we hold about you in the following circumstances:

- ★ if you consent to disclosure;
- ★ to any joint investor;
- ★ to companies that provide services to us, to our related companies, to the Fund, or on our behalf (e.g., administration, custody, investment management, technology, identity verification, auditing, registry, mailing or printing services);
- ★ if the disclosure is required or authorised by law, which may include disclosures to the Australian Taxation Office and other Government or regulatory bodies; or
- ★ organisations related to us such as Liberty and its related bodies corporate whether in Australia or any overseas jurisdiction.

13.5 OUR ROLE

We are the trustee of the Fund. Under the Corporations Act we are described as the "Responsible Entity". We, as the Responsible Entity, and the Fund are regulated by ASIC under the Corporations Act.

Under the Corporations Act we must act honestly and in the best interests of investors. We have a compliance plan for the Fund which details the methods we follow to ensure that in operating the Fund we comply with the Corporations Act and the Constitution of the Fund. The compliance plan has been lodged with ASIC and is audited annually. Any breaches of the compliance plan are reported to the Board of Directors and, if required, to ASIC.

13.6 THE CONSTITUTION

The rights and obligations of investors are governed by the Constitution and this PDS, but are also affected by the Corporations Act, any exemptions and declarations issued by ASIC, and the general law relating to trusts. To the extent of any inconsistency between this PDS and the Constitution, the Constitution prevails. The Constitution includes provisions relating to:

- ★ the nature of the units;
- ★ how we calculate unit prices, and what you are entitled to receive when you withdraw or the Fund is wound up;
- ★ the times and circumstances we can delay processing withdrawals;

13. OTHER INFORMATION

- ★ your right to requisition, attend and vote at unit holders meetings; and
- ★ your right to share in any Fund income and how we calculate it.

The Constitution states your liability is limited to the amount you paid for your units but you should be aware that the effectiveness of such a limitation has never been tested before a court. There are also provisions governing our powers and duties:

- ★ our ability to invest, borrow and generally manage the Fund are practically unrestricted;
- ★ we have discretion to refuse transfers and applications;
- ★ we can change the Constitution, but we need approval from a meeting of unit holders if the change will adversely affect your rights;
- ★ we can terminate the Fund, and if we do, you will share in the net proceeds from us selling the investments;
- ★ we can retire, but in most situations only if a new Responsible Entity is appointed; and
- ★ we can charge fees and recover expenses.

As Responsible Entity we are also subject to many duties under the Corporations Act including duties to act honestly, exercise care and diligence and treat all investors fairly.

The Constitution also deals with our liabilities in relation to the Fund and when they can be reimbursed to us out of the Fund's assets. For example:

- ★ we are not liable for acting in reliance in good faith on professional advice;
- ★ we are not liable for any loss unless we fail to comply with our duties under the Corporations Act;
- ★ we exclude liability under other laws as much as possible; and
- ★ we can be reimbursed for liabilities we incur in connection with the proper performance of our duties for the Fund, including any circumstances where an unrelated act or omission for which we have responsibility has caused loss to the Fund.

The Constitution allows us to terminate the Fund at any time if we believe it is in the best interests of members. This may occur for a variety of reasons including, but not limited to, the Fund no longer being able to satisfy its investment objective or strategy. If this occurs, we will issue a termination notice after which all assets in the Fund will be realised and paid out to members in proportion to and to the extent of their unit holding (subject to any Fund expenses). The termination process will be completed as quickly as possible but the time taken will depend on the nature of the assets in the Fund.

While we will only terminate the Fund if we believe it is in the best interests of members as a whole, consequences for individual members (for example in relation to taxation) may vary depending on their own circumstances at the time the Fund is terminated.

The Constitution has been lodged with ASIC and is available for inspection. Copies may also be obtained free of charge by contacting Investor Services.

13.7 MANAGEMENT AGREEMENT

We have appointed Liberty, a related party, as Investment Manager of the Fund. The management agreement is for an initial term of five years. It permits the Investment Manager to acquire loans that meet the Fund's investment policies and specifies minimum service standards that the Investment Manager must meet in selecting, managing and reporting on the assets of the Fund.

Any investment made by the Fund is transacted at commercial arms' length terms and subject to our normal investment criteria.

Liberty also provides certain advisory and administrative services to us. These services include:

- ★ asset and liability management;
- ★ Liquid Asset administration;
- ★ loan servicing;
- ★ accounting and administrative services; and
- ★ information technology services.

Liberty is entitled to a management fee equal to 1.375% per annum (including GST) of the gross assets of the Fund. This will be paid by the Responsible Entity to Liberty from the management fee payable to the Responsible Entity.

In the event that Liberty Fiduciary ceases to be the responsible entity of the Fund, Liberty will be entitled to terminate the management agreement.

13.8 EQUITABLE ASSIGNMENT

The Responsible Entity, on behalf of the Fund, will acquire loans that meet the investment objectives of the Fund. All loans will be acquired from Secure Funding Pty Ltd (ACN 081 982 872), a financier, which is a related party of both the Responsible Entity and the Investment Manager. This acquisition will take the form of an equitable assignment from the relevant loans extended by the Financier and selected by the Responsible Entity (in consultation with the Investment Manager) from time to time.

This agreement sets out the terms of each assignment of receivables, and the manner by which these assets will be assigned from time to time. The Responsible Entity will agree to pay an appropriate price for the assets at the time of assignment.

The Financier provides the usual commercial representations and warranties, including that the Financier owns the loans free of encumbrances, each underlying security meets the Fund's investment parameters, that each loan agreement complies with all relevant laws and that the Financier will not pledge the underlying security to any third parties.

13.9 CUSTODY AGREEMENT

We have appointed an external custodian to hold the assets of the Fund. The Custodian has no supervising role in the operation of the Fund and is not responsible for protecting your interests. It only acts in accordance with the relevant custody agreement. The Custodian has no liability or responsibility to you for any oversight or omission made in accordance with the terms of their custody agreement.

The Custodian is an authorised representative of Perpetual Trustee Company Limited (AFSL 236643).

The Custodian was not involved in preparing, and takes no responsibility for this PDS. The Custodian makes no guarantee of the success of the Fund or the repayment of capital or any particular rate of capital or income return.

13.10 CONSENTS TO BE NAMED IN THIS DOCUMENT

The Investment Manager, Custodian and Directors of the Responsible Entity consent to be named in this PDS and have not withdrawn their consent as at the date of this PDS.

13.11 RELATED PARTIES

The Constitution specifies that we may seek professional advice and services for the Fund and allow us to recover all proper expenses from the Fund. Where we engage the services of a third party, these services will be provided on an arms-length basis at commercial rates.

The Responsible Entity, the Investment Manager, their related bodies corporate, their employees, directors and their officers may hold units in the Fund from time to time.

14. GLOSSARY

ABN: Australian Business Number.

Acceptable Certifier: An acceptable certifier for the purposes identifying an applicant to comply with anti-money laundering and counter-terrorism regulation.

AFSL: Australian Financial Services Licence.

ASIC: Australian Securities and Investments Commission.

\$: Australian dollars.

Bank bill: A Bill of Exchange of which the acceptor or the endorser is a bank.

Bill of Exchange: An unconditional order in writing requiring the party to whom it is addressed to pay a certain sum on a fixed date in the future. Bills of exchange usually mature within six months, and can be sold at discount to face value.

Chattel mortgage: A security arrangement in which a financier registers its mortgage over specific chattels and goods, most usually those of a business.

Constitution: The written document lodged with ASIC which governs the operation of the Fund dated 18 December 2009, as amended by supplemental deeds dated 7 January 2010, 25 February 2010 and 17 August 2010.

Corporations Act: Corporations Act 2001 (Cth).

Custodian: Perpetual Corporate Trust Limited (ABN 99 000 341 533) (AR 266799).

Derivative: A financial instrument whose price is dependent upon or derived from one or more underlying assets and whose value is determined by the price fluctuations of the underlying asset.

Distribution: Income paid from a fund to an investor.

Financier: Secure Funding Pty Ltd (ACN 081 982 872), a related party of the Responsible Entity and Investment Manager.

Fixed and floating charge: A form of security interest, the charge registered with ASIC, taken by a financier from a company to secure repayment of a loan.

Full Doc: A loan where the borrower's income has been verified by conventional means.

Fund: Liberty Term Investment Fund (ARSN 141 340 454).

GST: Goods and services tax.

Hedging: The practice of reducing total risks borne by the Fund by assuming risks that offset those to which the Fund is already exposed.

Hire purchase agreement: An arrangement whereby equipment being financed is owned by a financier until the last payment is made which fully repays the loan.

IDPS: Investor directed portfolio service.

Inner-city: Geographical locations approximately up to five kilometres from a city centre but may be less or more depending upon the city.

Investment Manager: Liberty Financial Pty Ltd (ABN 55 077 248 983) (AFSL 286596).

Investor Number: A unique number issued by us to you.

Investment Term: The fixed term investment periods of the Fund which are 1, 2, 3, 4 or 5 years.

Lease: An arrangement whereby equipment being financed is owned by a financier unless the customer exercises an option to acquire the equipment.

Leverage: The use of various financial instruments or borrowings, to increase the potential return of an investment. It can magnify the potential gain or loss, and volatility of investment returns. Leverage can be created through options, futures, margin lending, debt and other financial instruments.

Liquid Assets: Assets that are expected to be easily converted into cash. Examples include bank bills, bank deposits, money market securities, certificates of deposit, which all typically have less than 12 months to maturity.

Liquidity: The ability of an investment to be easily converted into cash with little or no loss of capital and minimum delay.

Low Doc: A loan where the borrower's income has not been verified by conventional means.

LVR: The loan to value ratio expressed as a percentage and determined by dividing the principal outstanding under the loan by the value of the property or asset securing the facility. It is typically calculated at the time amounts are advanced under the loan.

Managed Investment Scheme: A type of investment vehicle

which pools the assets of multiple investors into a single vehicle with a common investment objective and strategy. The investor's interests in the managed investment scheme are recognised as a financial product and are regulated in Australia under the Corporations Act.

Master trust: A master trust enables individual investors or small superannuation funds to apportion funds into one or more underlying investments (most commonly wholesale or retail pooled funds) usually operated by a single professional investment manager.

Metropolitan: Location not considered to be Inner City but still within a statistical district having a population of 100,000 or more.

Money market: The market for trading short-term securities such as bills of exchange.

Net Asset Value: Refers to the total value of a fund's underlying investment portfolio, less any fees, charges, expenses and other liabilities accrued by the Fund.

Non-metropolitan: Any geographical location which is neither Inner City nor Metropolitan.

PDS: This Product Disclosure Statement, issued by Liberty Fiduciary on 1 February 2011.

Portfolio: The Fund's investments, usually with reference to its composition. That is, the mix of different exposures to loans, such as loans secured by residential and commercial property, motor and equipment finance and loans to businesses secured by trade receivables.

Receivables purchase agreement: An arrangement where a company obtains finance by agreeing to sell trade receivables or assets under bailment to a financier.

Responsible Entity: Liberty Fiduciary Limited (ABN 80 119 884 623) (AFSL 303137)

REVS: Register of Encumbered Vehicles. This is a statutory public register which holds information about motor vehicles and other equipment that have been used as security for a loan.

Target Return: An indicative maximum return an investor may receive and is not guaranteed to investors. Target Returns may vary between different Investment Terms and over time and are determined as at the date that Units are issued.

TFN: Tax file number.

Trade receivable: Money which is or is expected to be owed to a company by a customer for products and services.

Unit: A unit in the Liberty Term Investment Fund.

Withdraw: Receive repayment of an investment at the end of an Investment Term.

Wrap account: An administrative service that combines or "wraps" investments into a single manageable account. Investors using a wrap account remain the beneficial owner of their underlying investments.

COMPLETING THE APPLICATION FORM

INTRODUCTION

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (the Act) requires us to identify our new investors and verify their identity. Our application form captures personal information about investors to comply with the requirements of the Act. Certified copies of your identification documentation will be required and details of the certification process are contained on page 48 of this PDS. We will not be able to process your application until we receive the identification information we require.

We may need to collect further information about you to comply with our ongoing customer due diligence obligations under the Act. Please see page 46 for more details.

The following instructions for completing the application form will assist you to provide the information we require. The provision of complete and accurate information will enable us to process your application efficiently and to meet our obligations under the Act.

PLEASE COMPLETE THE ACCOMPANYING APPLICATION FORM IN BLOCK LETTERS AND SIGN SECTION 11 AND PART A OF SECTION 12 OF THE APPLICATION FORM.

1. COMPLETING INVESTOR DETAILS

Please complete the investor details as follows:

If you are an Australian tax resident, please tick the box "Australian tax resident" to confirm your status.

If you are an existing investor please tick "Existing" and provide the name in which your investment is held and your investor number; or

If you are a new investor please tick "New" and proceed to Section 2.

2. INVESTMENT DETAILS

Indicate how much you wish to invest in the Fund.

Minimum initial investment: \$5,000.

Indicate your Investment Term (e.g. 1, 2, 3, 4 or 5 years) and the Target Return. Updated Target Returns will be available on our website at www.liberty.com.au/invest.

Cheque: Make your cheque payable to "Liberty Term Investment Fund" and crossed "Not Negotiable". Please note we do not accept third party cheques.

3. INCOME DISTRIBUTIONS

Please indicate your preferred account for income distributions. If income is to be credited to an account with an Australian bank, building society or credit union, we require your complete account details. If you do not nominate your preferred option, it will be assumed that you require the income to be reinvested in additional units in the Fund.

4. REDEMPTION PAYMENTS

Please indicate your preferred account for payment of redemptions. If redemptions are to be credited to an Australian bank or financial institution, we require you to complete account details. Unless specifically requested otherwise, we will pay all redemptions to your nominated bank account. Please note that third party payments will not be issued.

5. COMPLETING THE CATEGORY YOU FIT INTO

Please indicate the category you fit into for unit holding as follows:

- ★ Individual(s) or joint names, tick "Individual(s)" and proceed to Section 6.
- ★ Company, cross "Company" and proceed to Section 6.
- ★ Trust, cross "Trust" and proceed to Section 6.
- ★ Superannuation Fund (including self-managed superannuation funds), cross "Superannuation Fund" and proceed to Section 4. Corporate Trustees proceed to Section 3.
- ★ Partnership, cross "Partnership" and proceed to Section 6.

6. COMPLETING APPLICANT DETAILS

To complete this section, please indicate your applicant status (e.g. trustee and beneficiary).

Note: All documents supporting the identification of applicants must be certified. Instructions for identification are covered in Certification on page 48.

For an Individual please complete this section and proceed to Section 10.

For a Company registered as a proprietary company, please complete this section as an individual for each director and beneficial owner (any individual who owns through one or more shareholdings, more than 25% of the issued capital of the company). For a company registered as a public company, please provide the full name and residential address of each director (attach separately). Once this section is completed proceed to Section 10.

For a Trust or Superannuation Fund the full details of only one of the trustees needs to be completed in this section as an individual and only the full name and residential address of the other trustee(s) and beneficiary(ies) is also required in Section 6. However, if any of the trustees is a company, then for each one of those companies you must complete this section as an individual for each director and beneficial owner. Once this section is completed proceed to Section 7 or 8 depending upon whether the trustee is a company or individual. In both cases, once completed, please proceed to Section 9.

For a Partnership only one of the partners needs to complete this section in full as an individual. However, the full name and residential address of each partner is required (attach separately). Once this section is completed proceed to Section 10.

Tax File Number Lodgement or Australian Business Number Lodgement

Collection of TFN information is authorised and its use and disclosure are strictly regulated by Tax Laws and the Privacy Act. It is not an offence if you choose not to supply your TFN or exemption, but tax may be taken out of your income distributions, currently at 46.5%. For any further investments if the TFN provided corresponds to the Applicant Details the TFN will be automatically applied. You have the right to indicate at any time that you no longer wish to quote a TFN for an investment. You may choose to provide your ABN instead of your TFN if your investment is made in the course of carrying on an enterprise. For more information about the use of tax file numbers, please contact your nearest tax office.

Tax Exemption

You may not be required to lodge a tax return if you fit into one of the following categories:

- ★ Recipient of Age, Service, Invalid, Veteran, Care, Sole Parent or Special Benefit pension – specify type; or
- ★ Other – please specify.

Please also indicate which applicant is to be granted authorisation for your account and indicate how you would like to receive your transaction statements.

7. COMPANY OR CORPORATE TRUSTEE

Please complete if you are applying on behalf of a company or corporate trustee.

8. TRUST OR SUPERANNUATION FUND

Please complete if you are applying on behalf of a trust, deceased estate or superannuation fund.

9. DECLARATION OF BENEFICIAL OWNERSHIP FOR TRUST APPLICANTS

Please complete if you are applying on behalf of a trust.

10. CONSULTANT OR ADVISER

Please indicate if you do not wish us to send information relating to your investment to your consultant or adviser.

Consultants or advisers are requested to complete their details and stamp the application form.

11. DECLARATION AND SIGNATURE

All applications (including joint applications) must be signed by all parties, in the presence of an Acceptable Certifier.

If signed under power of attorney, the attorney must certify that he or she has not received notice of revocation of that power (the power or a certified copy is required to be forwarded).

If you are a corporation, you may use your common seal if you wish; witnessed by two directors or a director and a secretary (please check your constitution). Otherwise, two directors or a director and secretary may sign or, if a proprietary company with a sole director, that director alone may sign.

COMPLETING THE APPLICATION FORM

12. CERTIFICATION

For an individual, please complete this section for all applicants.

For a company, please complete this section for at least one director.

For a Trust or Superannuation Fund with corporate trustee, please complete this section for at least one director of the corporate trustee.

For a Trust or Superannuation Fund with individual trustees, please complete section for all individual trustees.

For each applicant that must have their identity documents certified, please provide either:

- ★ one form of primary photographic identification; or
- ★ one form of primary non-photographic identification and one form of secondary identification.

Please provide your identity documents to an Acceptable Certifier who must sign this section in your presence. Refer to page 48 for a list of Acceptable Certifiers.

Please copy this section for each person for whom identification documents are required.

LODGEMENT OF APPLICATION FORM

Forward the completed application form, together with your cheque to:

Liberty Term Investment Fund
Attn: Registry Services
P.O. Box 1034
Melbourne VIC 3000

If you have any questions, please call Investor Services on freecall 13 11 80.

CHECKLIST

✓	Use a black or blue pen
✓	Write in BLOCK Letters
✓	Make your cheque payable to: "Liberty Term Investment Fund" crossed "Not Negotiable"
✓	Send your application form and cheque to: Liberty Term Investment Fund Attn: Registry Services P.O. Box 1034 Melbourne VIC 3000
✓	Supply your TFN or ABN if you wish to do so
✓	I have provided my residential/ registered address
✓	I have attached required identification documentation
✓	The documentation provided has been certified

We take no responsibility for any delay in the processing of an incomplete application. In that event, you will be contacted as soon as practicable and asked to supply the necessary additional information in order for your application to be processed.

Should the information above be unclear to you or if you are unsure of what classification your application falls under, please contact Investor Services directly for clarification prior to submitting your application.



LIBERTY TERM INVESTMENT FUND APPLICATION FORM



Product Disclosure Statement
ABN 80 119 884 623
AFS Licence No. 303137
1 February 2011

Make cheque payable and send to:
Liberty Term Investment Fund
Attention: Registry Services
P.O. Box 1034
Melbourne VIC 3001

1. YOUR DETAILS

Australian tax resident

Existing - Give details of your account below, If any of your details have changed, please update them in section 6.

Account Name: Investor Number:

New

2. INVESTMENT DETAILS (MINIMUM INVESTMENT \$5,000)

	\$A	TARGET RETURN
1 year		
2 years		
3 years		
4 years		
5 years		
TOTAL		

3. INCOME DISTRIBUTIONS

Note: If no election is made, distributions will be reinvested in additional units.

Reinvest income as additional units; or

Pay income into the account shown below.

Name of Australian bank or financial institution Name in which the account is held

Account No BSB No

4. REDEMPTION PAYMENTS

The bank account into which we will make redemption payments.

Pay into the account identified above in section 3; or

Pay using the account details provided below.

Name of Australian bank or financial institution Name in which the account is held

Account No BSB No

5. WHICH CATEGORY DO YOU FIT INTO?

Individual(s)

Corporate Trustee or Company

Partnership

Individual Trustee or Superannuation Fund

6. APPLICANT DETAILS

You are investing as (please complete, and make copies if more than 4 applicants):

An individual (complete below)

A company (if a proprietary company complete below for all directors and shareholders who own at least 25% of shares; if a public company complete below for all directors only, then go to section 7)

A Trust or Superannuation Fund with corporate trustee (complete below for all named beneficiaries and all directors of the corporate trustee, then go to section 7)

A Trust or Superannuation Fund with individual trustee (complete below for all named beneficiaries and all trustees, then go to section 8)

APPLICANT 1

Title	Given name
Middle name	Last name
Date of birth [dd/mm/yyyy]	
Home phone number	Work phone number
Mobile	Fax number
Email address	
Tax file number (or reason for exemption-refer to p 30 for details)	
Occupation	
Employer	
Passport number	Driver's licence number
Residential address (street number & name)	
Suburb	State
Postcode	Country
Postal address (if different from residential)	
Suburb	State
Postcode	Country

Authority to act

How you would like to receive statement(s) below:

Post

Email Email address

Fax Fax no.

I/We acknowledge that undelivered email or fax statements will be sent out by post.

APPLICANT 2

Title	Given name
Middle name	Last name
Date of birth [dd/mm/yyyy]	
Home phone number	Work phone number
Mobile	Fax number
Email address	
Tax file number (or reason for exemption-refer to p 30 for details)	
Occupation	
Employer	
Passport number	Driver's licence number
Residential address (street number & name)	
Suburb	State
Postcode	Country
Postal address (if different from residential)	
Suburb	State
Postcode	Country

Authority to act

How you would like to receive statement(s) below:

Post

Email Email address

Fax Fax no.

I/We acknowledge that undelivered email or fax statements will be sent out by post.



6. APPLICANT DETAILS (CONTINUED)

APPLICANT 3

Title	Given name
Middle name	Last name
Date of birth [dd/mm/yyyy]	
Home phone number	
Work phone number	
Mobile	Fax number
Email address	
Tax file number (or reason for exemption-refer to p 30 for details)	
Occupation	
Employer	
Passport number	Driver's licence number
Residential address (street number & name)	
Suburb	State
Postcode	Country
Postal address (if different from residential)	
Suburb	State
Postcode	Country
<input type="checkbox"/> Authority to act	

How you would like to receive statement(s) below:

<input type="checkbox"/> Post	
<input type="checkbox"/> Email	Email address
<input type="checkbox"/> Fax	Fax no.

I/We acknowledge that undelivered email or fax statements will be sent out by post.

APPLICANT 4

Title	Given name
Middle name	Last name
Date of birth [dd/mm/yyyy]	
Home phone number	
Work phone number	
Mobile	Fax number
Email address	
Tax file number (or reason for exemption-refer to p 30 for details)	
Occupation	
Employer	
Passport number	Driver's licence number
Residential address (street number & name)	
Suburb	State
Postcode	Country
Postal address (if different from residential)	
Suburb	State
Postcode	Country
<input type="checkbox"/> Authority to act	

How you would like to receive statement(s) below:

<input type="checkbox"/> Post	
<input type="checkbox"/> Email	Email address
<input type="checkbox"/> Fax	Fax no.

I/We acknowledge that undelivered email or fax statements will be sent out by post.

7. COMPANY OR CORPORATE TRUSTEE

Name of company, incorporated association or body

.....

ABN / ACN / ARBN

.....

Contact person (full name)

.....

Registered address

.....

TFN

Daytime phone number

Fax number

.....

.....

.....

8. TRUST OR SUPERANNUATION FUND

Name of trust, superannuation fund, minor, deceased estate or unincorporated association. Trustees must complete section 9 as applicable and provide appropriate documentation (i.e. extract of trust deed).

.....

Trustee / executor name(s)

.....

Registered address

.....

ABN / ARBN

.....

Contact person (full name)

.....

TFN

Daytime phone number

Fax number

.....

.....

.....

9. DECLARATION OF BENEFICIAL OWNERSHIP FOR TRUST APPLICANTS

This declaration requires you, as the contracting party with Liberty Fiduciary, to verify the identity of the beneficial owner(s) for the account to be opened. For the purpose of this declaration a beneficial owner is the person(s) who owns or benefits from this account. In making this declaration you undertake to inform Liberty Fiduciary immediately if there are any changes to the information disclosed herein.

Nature of trust (e.g. Discretionary)

.....

Revocable Irrevocable

Date trust deed settled [dd/mm/yyyy]

□□ / □□ / □□□□

Please complete the details of the Settlor in section 6.

Please complete the details of the Guardian / Appointor in section 6.

DISCRETIONARY TRUST - Please specify the beneficiaries of the trust as defined in the Trust Deed. If the trust is a Discretionary Trust please describe the class of beneficiaries.

.....

FIXED TRUSTS - If the trust is a fixed trust (e.g. named beneficiaries) please complete the details in section 6 for each beneficiary.

Please specify parties that are authorised to give instructions to the trustees

.....

Glossary of terms

Revocable Trust, a trust that may be changed or cancelled by its settlor or another person. Irrevocable Trust, a trust that can not be changed or cancelled once it is set up, with out the consent of the beneficiaries. Settlor, the person that creates the trust, to hold property for the benefit of another. Guardian/Appointor, a person who holds a power to direct the trustee of an irrevocable trust in matters relating to the trust.



10. CONSULTANT OR ADVISER

I/We agree that information relating to my/our investment be supplied to my/our consultant/advisor.

Indicate here if you do not want information relating to your investment be supplied to your consultant/advisor.

Consultant/advisor name

Advisor stamp

.....

.....

Consultant's/advisor's address

.....

Dealer group

.....

Dealer branch

.....

Phone number

.....

ABN

.....

AFS Licence / Authorised representative number

.....

11. DECLARATION AND SIGNATURE

I/We declare that:

- ★ I/we have carefully read the Product Disclosure Statement dated 1 February 2011 for the offer of Units in the Liberty Term Investment Fund (**Fund**) to which this application form is attached (**PDS**);
- ★ all details in this application form are correct;
- ★ I/we agree to be bound by the terms and conditions of the PDS and the Constitution pursuant to which the Fund was established as amended from time to time;
- ★ if this application is signed under a power of attorney, the attorney hereby declares that he/she has not received notice of revocation of that power. (A certified copy of the power of attorney must be submitted with this application form, unless we have already sighted it); and
- ★ if this application form is signed on behalf of a trustee of a superannuation fund or trust, the trustee has the power and authority under the relevant trust deed to invest on behalf of the superannuation fund or trust.

I/We acknowledge that:

- ★ as with any investment, there are inherent risks investing in the Fund. These risks include less than expected returns, loss of income or capital invested, and delays in payment;
- ★ none of Liberty Fiduciary Limited, Liberty Financial Pty Ltd, or Perpetual Corporate Trust Limited, or any of their officers, employees or agents, guarantees the repayment of capital investment, the payment of income or the investment performance of the Fund;
- ★ a person who gives another person access to this application form must, at the same time and by the same means, give that person access to the PDS;
- ★ I/we will be the beneficial owner of the Units to be purchased, or can identify the beneficial owner of the Units if required to by Liberty Fiduciary Limited for regulatory purposes;
- ★ Liberty Fiduciary Limited reserves the right to reject an application for Units in the Fund for any reason; and
- ★ Liberty Fiduciary Limited is bound by laws about the prevention of money laundering and the financing of terrorism, including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (**AML/CTF laws**). By completing this application, I/we agree that:
 - (a) I/we do not subscribe to the Fund under an assumed name;
 - (b) any money used by me/us to invest in the Fund is not derived from or related to any criminal activities;
 - (c) any proceeds of my/our investment will not be used in relation to any criminal activities;
 - (d) if Liberty Fiduciary Limited, Liberty Financial Pty Ltd, or Perpetual Corporate Trust Limited asks, I/we will provide any additional information reasonably required for the purposes of the AML/CTF laws (including information about an investor, any beneficial interest in the Fund, or the source of funds invested);
 - (e) Liberty Fiduciary Limited, Liberty Financial Pty Ltd, or Perpetual Corporate Trust Limited may obtain information about me/us or any beneficial owner from third parties if Liberty Fiduciary Limited, Liberty Financial Pty Ltd, or Perpetual Corporate Trust Limited believe this is necessary to comply with AML/CTF laws; and
 - (f) in order to comply with AML/CTF laws, Liberty Fiduciary Limited, Liberty Financial Pty Ltd, or Perpetual Corporate Trust Limited may be required to take action, including disclosing information that is held about me/us or any beneficial owner of Units in the Fund to their related bodies corporate or service providers or relevant regulators of AML/CTF laws (whether inside or outside Australia).

I/We consent to providing Liberty Fiduciary Limited, Liberty Financial Pty Ltd or any related party with:

- ★ personal information pursuant to the Privacy Act 1988 (Cth) and for use as described on page 33 of the PDS; and
- ★ information required to verify my/our identity as described on page 48 of the PDS.

Redemption requests must be signed by:

Applicant 1 Applicant 2 Applicant 3 Applicant 4

Note: If no election is made, it is assumed that any one signatory may sign.

Authorisation of Applicant 1 (signature)

.....
.....

Name

.....

Date [dd/mm/yyyy] / /

Authorisation of Applicant 3 (signature)

.....
.....

Name

.....

Date [dd/mm/yyyy] / /

Authorisation of Applicant 2 (signature)

.....
.....

Name

.....

Date [dd/mm/yyyy] / /

Authorisation of Applicant 4 (signature)

.....
.....

Name

.....

Date [dd/mm/yyyy] / /

12. CERTIFICATION (PLEASE COPY THIS FORM FOR EACH PERSON REQUIRED TO BE IDENTIFIED)

PART A

The certifier needs to view sufficient documents to be satisfied as to the identity of the individual and to be able to record his/her residential address

Mr Mrs Miss Ms Other

Given names

Last name

Account name

Account number (if known)

Signature

Date [dd/mm/yyyy]

PART B (see page 48)

Primary photographic identification document (e.g. Passport or Driver's Licence)

Type of document

Name on document

Date of birth [dd/mm/yyyy]

/ /

Date of expiry [dd/mm/yyyy]

/ /

Document no.

Issued by

Date of issue [dd/mm/yyyy]

/ /

Office/Country of issue

Primary non-photographic identification document (e.g. Birth Certificate, Citizenship Certificate or Pension Card)

Type of document

Name on document

Date of birth [dd/mm/yyyy]

/ /

Date of expiry [dd/mm/yyyy]

/ /

Document no.

Issued by

Date of issue [dd/mm/yyyy]

/ /

Office/Country of issue

Secondary identification document (i.e. Rates Notice, Utility Bill or Tax Assessment)

Type of document

Name on document

Address

Date of birth [dd/mm/yyyy]

/ /

Date of expiry [dd/mm/yyyy]

/ /

Document no.

Issued by

State

Postcode

Date of issue [dd/mm/yyyy]

/ /

Office/Country of issue

ACCEPTABLE CERTIFIER

Mr Mrs Miss Ms Other

Given names

Address

Work phone number

Home phone number

Occupation

Last name

State

Postcode

Category of certifier 1-8 (refer to list on page 48)

12. CERTIFICATION (CONTINUED)

- ★ I am an acceptable certifier as set out below.
- ★ I have examined the identification documents detailed in Part B of this form and have certified them to be a true and correct copy.
- ★ The copy of the identification documents that I have attached to this application is a true and correct copy of the original examined by me.
- ★ The signatory signed the identification certification in my presence.

Signature of the certifier

Date [dd/mm/yyyy]

 / /

PART B - GUIDANCE NOTES FOR ACCEPTABLE CERTIFIERS

The certifier needs to view sufficient documents to be satisfied as to the identity of the individual and to be able to record his/her residential address. An identification certification must be signed in the presence of an acceptable certifier. An identification certification is to be provided for each signatory to an account.

Primary photographic identification document

1. a driver's licence or permit issued under the 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;
2. an unexpired Commonwealth or foreign government passport that contains a photograph and signature of the person (providing the certifier understands the language it is written in, otherwise an English translation is required). An expired Commonwealth passport will be accepted if the expiry was in the past two years;
3. a card issued under a law of a State or Territory for the purpose of providing a person's age which contains a photograph of the person; or
4. a national identity card issued for the purpose of identification that contains a photograph and the signature of the person.

Primary non-photographic identification document

1. a birth certificate or birth extract issued by a State or Territory;
2. a citizenship certificate issued by the Commonwealth;
3. a citizenship certificate issued by a foreign government (providing the certifier understands the language it is written in, otherwise an English translation is required);
4. a birth certificate issued by a foreign government, the United Nations or an agency of the United Nations (providing the certifier understands the language it is written in, otherwise an English translation is required); or
5. a pension card issued by Centrelink.

Secondary identification document

1. a notice issued to an individual by the Commonwealth, a State or Territory within the preceding 12 months that contains the name and residential address of the individual and records the provision of the financial benefits under relevant law;
2. a notice issued to an individual by the Australian Tax Office within the preceding 12 months that contains the name and residential address of the individual and tax assessed; or
3. a notice that was issued to an individual by a local government body or utilities provider within the preceding 3 months that contains the name of the individual and residential address and records the provision of services to that address or that person.

ACCEPTABLE CERTIFIERS

1. a legal practitioner enrolled in a Supreme Court of a State, Territory or the High Court of Australia;
2. a Justice of the Peace;
3. a police officer;
4. a member of the Institute of Chartered Accountants in Australia, CPA Australia, or the National Institute of Accountants with 2 or more years continuous membership;
5. an agent of Australia Post who is in charge of an office supplying postal services;
6. a permanent employee of Australia Post who supplies postal services;
7. an officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more continuous years service with one or more licensees; or
8. an officer with two or more continuous years service with one or more financial institutions.

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DIRECTORY

RESPONSIBLE ENTITY

Liberty Fiduciary Limited
ABN 80 119 884 623
AFSL 303137
Level 16, 535 Bourke Street
Melbourne VIC 3000

CUSTODIAN

Perpetual Corporate Trust Limited
ABN 99 000 341 533
AR 266799
Level 12, 123 Pitt Street
Sydney NSW 2000

INVESTMENT MANAGER

Liberty Financial Pty Ltd
ABN 55 077 248 983
AFSL 286596
Level 16, 535 Bourke Street
Melbourne VIC 3000

INVESTOR SERVICES

Freecall: 13 11 80
Fax: (03) 8613 1920
Email: investorservices@liberty.com.au
Website: www.liberty.com.au/invest

REGISTRY SERVICES

Liberty Term Investment Fund
Attn: Registry Services
P.O. Box 1034
Melbourne VIC 3000

LIBERTY TERM INVESTMENT FUND

BENEFITS

- ★ Specified maximum rate of return paid monthly
- ★ A range of investment terms to suit the needs of individual investors
- ★ Capital stability from investing in secured loans and cash or other liquid assets
- ★ Pooled fund providing access to investments otherwise difficult to achieve individually
- ★ Diversification from exposure to a range of asset classes
- ★ No exposure to commercial development or construction financing
- ★ Initial investment of as little as \$5,000
- ★ A low management fee
- ★ Managed by a team of experienced professionals

www.liberty.com.au

RESIDENTIAL LOANS ★ COMMERCIAL MORTGAGES ★ ASSET FINANCE ★ DEBTOR FINANCE ★ INVESTMENTS

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