



**T U R N E R**  
**S E C U R I T I E S**  
LTD

ABN: 85 122 088 617  
AFS LICENCE NUMBER: 307209

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SECURED NOTES  
**PROSPECTUS N°9**



This is a Prospectus issued by Turner Securities Ltd ABN 85 122 088 617 ("the Company, we, our") dated the 18th of May 2018.

A copy of this Prospectus has been lodged with ASIC on the date of this Prospectus. ASIC takes no responsibility for the contents of this Prospectus. No Secured Notes may be issued pursuant to this Prospectus more than 13 months after the date of the Prospectus. However, the Directors reserve the right to close the Prospectus at an earlier date.

The Trustee, Australian Executor Trustees Limited:

- has not authorised or caused the issue, submission, dispatch or provision of this Prospectus and does not make any statement or purport to make any statement in this Prospectus or any statement on which a statement in this Prospectus is based;
- nor any of its directors, employees, officers, affiliates, agents, advisers, intermediaries or related body corporate (each a "related person") assumes any responsibility for the accuracy or completeness of any information contained in this Prospectus;
- to the maximum extent permitted by law expressly disclaims all liability in respect of, makes no representation or any statement regarding, and takes no responsibility for, any part of this Prospectus, or any statements in, or omissions from this Prospectus, other than the references to its name;
- has given, and has not, before the lodgement of this Prospectus with ASIC withdrawn, its written consent to be named in this Prospectus in the form and context in which it is named;
- nor any related person makes any representation as to the truth and accuracy of the contents of this Prospectus, including the financial information and statements of

the Company;

- has relied on the Company for the accuracy of the contents of this Prospectus, including the financial information and statements of the Company; and
- nor any related person makes any representation or warranty as to the performance of the Secured Notes or the payment of interest or redemption of Secured Notes.

The interest payments on the Secured Notes are obligations of the Company and are not guaranteed by the Trustee or any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, related body corporate or any other entity.

The obligation to redeem Secured Notes in accordance with their terms is a direct obligation of the Company. Neither the Trustee nor any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, related body corporate or any other entity guarantees the redemption of or prepayment of any principal under the Secured Notes.

The Trustee is not responsible for monitoring the Company's compliance with the Trust Deed, the terms of the Secured Notes, the Act nor the Company business.

The Trustee does not guarantee the repayment of capital or income return.

The Company is not authorised under the Banking Act 1959 (Cth), and is not supervised by the Australian Prudential Regulatory Authority.

Secured Note investments are not bank deposits and the depositor protection provisions in the Banking Act 1959 (Cth) will not cover your investment in the Secured Notes issued under this Prospectus. If you acquire Secured Notes, then there is a risk that you may lose all or part of that investment.

Before making any decision to invest in the Secured Notes, you should read this entire Prospectus and consider if an investment in Secured Notes (having regard to the risks associated

with such an investment) is appropriate to your own personal financial and taxation position. You should also obtain professional advice from a licensed financial adviser, accountant or lawyer who understands your personal investment objectives, personal financial and taxation position and individual investment needs before deciding to invest.

We do not give financial product or taxation advice and are not licensed to do so. No individual is authorised to give any specific information or make any representation that is not contained in this Prospectus in relation to the investment offer described in this Prospectus.

The offer under this Prospectus is only made in Australia, and funds can only be invested from an Australian bank or financial institution account. This Prospectus does not constitute an offer or invitation to invest in any place outside Australia unless such offers or invitations are permitted in that jurisdiction. If you have obtained the Prospectus electronically, you should ensure you download and read the entire Prospectus. A paper copy is available free of charge, by contacting the Company on 1300 731 204.

Applications for investment need to be on the application form issued with this Prospectus.

## **CLASSIFICATION OF SECURED NOTES**

Secured Notes are debt securities of the Company and are not equity.

The Secured Notes represent and acknowledge our indebtedness to investors in respect of money lent to. Under ASIC Regulatory Guide 69 Debentures and notes: Improving disclosure for retail Investors (Regulatory Guide 69), the debt securities are classified as "secured notes" for reasons set out on page 11 of this Prospectus under the heading "Secured Notes classification".

Secured Notes issued under this Prospectus have the same features as the debentures previously issued by us and rank equally with debentures and secured notes issued under prior prospectuses.

The classification "Secured Notes" (or previously "debentures") does not change the security position of investors as per the charge given over our assets in favour of the Trustee which the Trustee holds for the benefit of investors in accordance with the terms of the Trust Deed.

## **ACCOUNTANTS**

Moore Stephens (SA) Pty Ltd  
Level 2, 180 Flinders Street  
ADELAIDE SA 5000  
Telephone (08) 8224 3300

## **TRUSTEE**

Australian Executor Trustees Limited  
Level 3, 30 Hickson Road  
MILLERS POINT NSW 2000  
AFSL 240023

## **AUDITORS**

William Buck  
Level 6, 211 Victoria Square  
ADELAIDE SA 5000  
Telephone (08) 8409 4333

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Dear Investor,

Welcome to Turner Securities Ltd, a provider of innovative non-bank financial solutions. This Prospectus contains information about this Secured Note issue. It also provides information about us, outlining our business model and what we do. It details the type of investment we are offering, factors you should consider when investing in this product, how to make an application and what you can expect us to do as part of this process.

Our core business is the issue of fixed interest investments and the utilisation of those funds to provide specialist mortgage lending to borrowers who require flexible terms and conditions. These market segments represent an opportunity for us to meet a specific demand for alternatives to traditional banking sector intermediaries. We are able to respond promptly to assess the client's need, negotiate logical prudent solutions and provide a decision on applications from our senior management who are directly involved in the process.

The purpose of this issue is to continue raising funds to finance our ongoing lending activities which are focused on building a portfolio of quality registered mortgage loans using Secured Note funding programs.

Our strength is based on the diversity and depth of skills of our Directors and management. Their experience spans the banking and finance, property valuation and funds management and accounting sectors. The Board comprises a majority of non-executive directors for best practice corporate governance. It is from this sound foundation that the Company can build a profitable and sustainable future servicing the registered mortgage property financing markets. A key to our success will be meeting the needs of our investment and borrowing clients based on our core values of respect, integrity, simplicity and excellence.

Investing in Secured Notes issued by us is an opportunity for Investors to include an investment product with a competitive fixed rate of return in their portfolios.

I trust the information contained in this Prospectus will help you understand our clear focus and assist you in determining why you should consider including the Secured Notes issued pursuant to the Turner Securities Ltd Secured Note Prospectus as a part of a well balanced portfolio of investment assets.

As Managing Director of Turner Securities Ltd, it gives me great pleasure to present to you our ninth Prospectus.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'K. Flint', written in a cursive style.

Ken Flint  
Managing Director

	DETAILS	OTHER INFORMATION
<b>What will I acquire if I invest under this offer?</b>	You will be issued Secured Notes in the Company.	For more information about Secured Notes (and why the securities issued by the Company are classified as "secured notes") refer to Section 5.
<b>How will you use my investment?</b>	All monies invested will be used by us to expand our existing lending business. Money raised from Investors will be used for the purposes of loans secured primarily by first ranking mortgages over real property (or for acquiring Eligible Investments).	For more information about our business model and how your investment will be used, refer to Section 4
<b>Is there a minimum amount that needs to be raised?</b>	No, as investments will be utilized as part of our ongoing lending business, there is no minimum amount that needs to be raised in order for the offer of Secured Notes to proceed.	For more information regarding investments, refer to Section 3.
<b>What is the minimum amount I can invest?</b>	The minimum initial investment you can make is \$25,000. Thereafter, you can invest in multiples of \$10,000.	
<b>Who is the Trustee?</b>	We have appointed Australian Executor Trustees Limited (the Trustee) to act as trustee of the trust constituted by the Trust Deed and to hold the security and rights and powers of enforcement against us on trust for all investors.	For information regarding the trust deed and the role of the Trustee, refer to Section 5.
<b>What interest rate will I receive on my investment?</b>	You can obtain the current interest rates by calling us on 1300 731 204 or visiting our website at <a href="http://www.turnersecurities.com.au">www.turnersecurities.com.au</a> . You should confirm the current interest rate applicable to the Secured Notes prior to completing an application. The interest rate applicable on the date of issue of a Secured Note is fixed for the term of that Secured Note.	For more Information about interest rates and returns on investment, refer to Section 3.
<b>What is the term of my investment?</b>	You may elect to invest with us for a period of 1, 2 or 3 years. It is generally not possible to exit your investment early. Investments can be rolled over.	For more information about the term of an investment, refer to Section 3.
<b>Are there risks associated with an investment?</b>	Yes, an investment in Secured Notes is speculative and you should be aware that you could lose some or all of your investment. As our business is lending money, the key risks relate to non-payment of loans by borrowers and falling property markets which may mean that we are unable to recover the entire amount lent by us by realizing the assets over which we have security. You should consider the risks of investing carefully before making a decision whether to invest.	Information regarding risks is set out in Section 6.

## BENCHMARKS

ASIC Regulatory Guide 69: Debentures-improving disclosure for retail investors applies to us, as an issuer of Secured Notes. The guide establishes eight benchmarks which we are required to address on an 'if not, why not' basis. ASIC has developed the benchmarks to assist investors to understand the risks, assess the benefits of the investment and to make a decision as to whether such an investment is suitable for you. Details of the benchmarks, as they apply to our Secured Notes are described below.

You should consider all benchmarks and other information provided in this Prospectus and not rely on any one benchmark to make an investment decision.

We currently satisfy benchmarks 2,3,4,5,6 and 8 and reasonably consider that we will continue to satisfy those benchmarks on an ongoing basis.

### **BENCHMARK 1:** **Equity ratio - this benchmark is not satisfied**

This benchmark requires issuers to maintain a minimum equity capital ratio of 8% or, when lending funds for property development which are more than a minor part of the issuer's activities, the issuer should maintain a minimum equity capital ratio of 20%. The ratio is defined as:

$$\frac{\text{Total Equity}}{\text{Total liabilities} + \text{Total equity}}$$

Total equity is the money invested by owners of the Company (the issuer) (ie the shareholder's equity in the balance sheet) plus any retained profit.

It provides a 'buffer' to the Company in the event of financial difficulties, and it also provides the Company's owners with an incentive to operate prudently and responsibly, which may not exist if there is a low level of equity in the Company.

As at 31 March 2018 the Company's equity ratio is approximately 4.00% reflecting the Initial shareholders capital contributed, plus accumulated operating profits.

This compares with an equity ratio of 4.72% (as at 31 March 2017).

Benchmark 1 seeks to address concerns that without an appropriate equity capital ratio, an issuer's interests may not be aligned with note holders, and the issuer have less incentive to ensure the prudent management of the business. Further, without sufficient equity, if an investment runs into difficulties, there will be no source of funds to tide the investment over, other than by raising further funds.

Although the Company does not meet this benchmark, the Company believe these concerns are adequately addressed for the following reasons.

The Company has \$700,000.00 of Preference Shares on issue. The Preference Shares are repayable at the absolute discretion of the Company and dividends will only be distributed at the absolute discretion of the Company.

The directors closely monitor capital and liquidity, having regard to our obligations under our AFS Licence and the Trust Deed. Furthermore, although lending for construction and development activities is more than a minor part of the Company's activities, lending is made only on a progressive funding basis, requiring certification by an independent quantity surveyor about the cost to complete the project before drawdowns can be made to pay for works to date.

The Company may also call on shareholders and/or directors from time to time for an injection of funds in the form of additional share capital or unsecured shareholders loans to support the Company's requirements. As at 31 March 2018, the balance of shareholder loans is nil.

Accordingly, the Company believes that its current policies ensures that it maintains an appropriate equity capital ratio for its business, and would allow

the Company to continue to operate, even if the Company encountered a level of financial difficulty. To this end, the Company periodically stress tests its liquidity assumptions by considering the possibility of disruption to cash flows.

### **BENCHMARK 2:** **Liquidity - this benchmark is satisfied by the Company**

Liquidity is an important measure of the short-term financial health of a business. Without sufficient cash or liquid assets, a company might be unable to meet its short term financial obligations. This benchmark requires issuers to have cash flow estimates for the next three months and ensure that at all times they have on hand cash or cash equivalents sufficient to meet their projected cash needs over the next three months.

We prepare estimates of cash flows for a rolling three month period and ensures at all times it holds cash or cash equivalents sufficient to meet projected cash needs for each three month period.

To assist with liquidity requirements, we raise funds from investors for terms that align with our lending portfolio activities. In addition, we maintain a minimum of 7% of funds raised from investors in a cash liquidity reserve in the form of an at-call bank account.

In addition, we periodically 'stress test' our liquidity assumptions by considering the possibility of disruption to cash flows, the possibility of ASIC issuing a stop order, thereby preventing any new issue of Secured Notes and the possibility of a significant reduction in the rate of investor rollovers.

We have close relationships with a number of Secured Note holders and key alliance partners who refer prospective investors to us. These relationships have been developed over a period of time and in conjunction with our regular communication with investors, assists us with cash flow forecasting. In addition, a pattern of investment maturities and rollovers has been established over a period of

time and while past patterns are not necessarily indicative of future investment patterns, they assist our cash flow modelling.

An analysis of investor rollover patterns suggests rollover rates of some 90% may be expected. However, we would have access to sufficient cash to meet projected cash needs if the percentage of funds rolled-over was less than expected and in particular, if the percentage of funds rolled-over in the next 3 months were 20% lower than the percentage rolled-over in the past 3 months.

As early redemptions are only considered in special circumstances (see section titled "Early Redemption by Investors" in Section 3 for further information) the Company does not consider redemptions to be a significant factor which would impact on liquidity.

From time to time, in order to maintain sufficient liquidity, we may call on shareholders and/or directors for an injection of funds in the form of either share capital, investments or shareholder loans, although directors and shareholders are under no binding obligation to provide such financial support.

### **BENCHMARK 3: Rollovers - this benchmark is satisfied by the Company**

Benchmark 3 requires issuers to disclose their approach to rollovers, including whether the 'default' is that investments are automatically rolled over.

As detailed on page 7 of the Prospectus, the Company will notify each Investor prior to their investment maturity date (in practice this will occur between two and four weeks from the maturity date) to determine the individual investor's intention regarding either reinvestment or partial or full repayment of their investment at maturity.

This notification includes details of options for the investor to access the current version of the Prospectus (where one is available) and any updated disclosure notices which have been issued by the Company. Investors are also advised that, as an alternative, they can:

- contact the Company directly on 1300 731 204 to request a copy of the updated disclosure material to be posted to the investor; or
- visit the Company's office during normal business hours, located at Level 7, 431 King William Street, Adelaide SA 5000, to view a copy of the updated disclosure material,

to ensure the investor is able to make an informed decision whether to rollover the Investor's investment.

If the Company does not receive instructions from an investor prior to the maturity of their investment, then the invested amount will be rolled over for an equivalent maturity term and interest payment frequency, but at the new interest rate applicable at the maturity date for that term and interest payment frequency.

### **BENCHMARK 4: Debt Maturity - this benchmark is satisfied by the Company**

This benchmark requires all issuers to disclose:

- an analysis of the maturity profile of interest-bearing liabilities (including Secured Notes on issue) by term and value; and
- the interest rates, or average interest rates, applicable to their debts.

As at 31 March 2018 the Company's debt maturity profile (comprised solely by Secured Notes already on issue) was:

- Due within 1 year, \$20,610,920.31 with an average interest rate of 6.82% per annum; and

- Due 1 to 3 years, \$4,268,800.00 with an average interest rate of 7.24% per annum

### **BENCHMARK 5: Loan Portfolio - this benchmark is satisfied by the Company**

This benchmark requires issuers who on-lend funds to disclose the current nature of their loan portfolio. The smaller the number of loans or borrowers in the portfolio, the higher the risk that a single negative event affecting one loan will put the overall portfolio (and investor's money) at risk.

The Company's loan portfolio as at 31 March 2018 totalled \$17,962,201.88 comprised 9 loans (which are summarised in the table below). The largest single borrowing of \$4,641,282.38 represents 25.84% of the portfolio and the second largest borrowing represents 22.20% of the portfolio.

Regional diversification of the lending portfolio comprises:-

- SA loans 27.18%
- NSW loans 29.70%
- WA loans 33.10%
- VIC loans 10.02%

As at 31 March 2018 the lending portfolio had experienced 1 loan default. The single loan of \$2,833,000.00 represents 15.78% of the loan portfolio (which is a joint facility with another Lender with the total amount of the loan being \$17,000,000.00. The other lender's portion of the loan is \$14,167,000.00, and the Company's portion is \$2,833,000.00). The Company has been advised that a contract of sale has been entered into for the property and that settlement is anticipated to occur prior to 30 June 2018. The Company is satisfied that the security we hold (jointly with the other Lender) in respect of the loan is sufficient to ensure that the entire amount of the loan can be repaid in full.

As at the date of this document, other than the 1 loan default described above, no other loan in the Company's loan portfolio was in arrears.

The Company's lending policy is outlined in Section 4 of this Prospectus, including the requirement the Company only lends when the primary security on offer is a first registered mortgage over real estate in Australia, with security at prudent loan to valuation ratios (see benchmark 8). In addition, the Company may take other collateral securities if it considers it is appropriate to do so.

The Company has a goal to achieve a fully diversified loan portfolio, including a specific objective being that a single common property security or common borrower is to represent no more than 10% of the portfolio of loans by the time the Company has a \$50 million loan portfolio. While the loan portfolio remains smaller than \$50 million, the Company's lending activity will remain subject to a degree of concentration of lending by borrower and/or geographic region due to the smaller number of loans written within the portfolio.

The Company maintains a comprehensive and fully documented lending policy and engages independent accredited valuers experienced in this sector of lending, to undertake assessment of the value of security for mortgage lending purposes for all loans approved. The lending mortgage documentation is completed by an external accredited panel of solicitors experienced in this sector of lending.

### Loan Summary Table

Loan number	Amount advanced	Maturity Date	Term (months)	Type of Security	Location of Sec	Class of Loan
<b>#4033**</b>	\$2,833,000.00	31/07/2016	5	Registered 1st Mortgage	NSW	Commercial
* Joint Facility with another Lender. Total Loan \$17,000,000.00 Other Lender portion \$14,167,000.00 Turners portion \$2,833,000.00						
**LOAN STATUS – in default. The Company has been advised that a contract of sale has been entered into for the property and that settlement is anticipated to occur prior to 30 June 2018						
#4038	\$242,208.05	31/05/2018	3	Registered 1st Mortgage	SA	Commercial
#4051	\$3,989,049.44	31/05/2018	4	Registered 1st Mortgage	WA	Commercial
#4052	\$682,500.00	31/05/2018	3	Registered 1st Mortgage	WA	Commercial
<b>#4053*</b>	\$4,641,282.38	30/06/2018	9	Registered 1st Mortgage	SA	Commercial
* Joint Facility with another Lender. Total Loan \$8,146,282.38 Other Lender portion \$3,305,000.00 Turners portion \$4,641,282.38						
#4054	\$1,015,000.00	30/11/2018	12	Registered 1st Mortgage	WA	Commercial
<b>#4055*</b>	\$1,800,000.00	13/06/2018	6	Registered 1st Mortgage	VIC	Commercial
* Joint Facility with another Lender. Total Loan \$3,485,000.00 Other Lender portion \$1,685,000.00 Turners portion \$1,800,000.00						
#4056	\$2,500,000.00	27/08/2018	6	Registered 1st Mortgage	NSW	Commercial
<b>#4057*</b>	\$259,162.01	28/02/2019	12	Registered 1st Mortgage	WA	Commercial
* Joint Facility with another Lender. Total Loan \$4,781,000.00 Other Lender portion \$1,500,000.00 Turners portion \$3,281,000.00						
Total Loans	\$17,962,201.88					

All secured loans made by the Company have a fixed rate of interest. The average interest rate across the loan portfolio is 13.95% per annum. NB: Shows only primary security. For some loans, registered collateral securities are also held.

### **BENCHMARK 6: Related party transactions - this benchmark is satisfied by the Company**

This benchmark requires issuers who on-lend funds to disclose their approach to related party transactions, as there is a risk that related party transactions may not be made with the same rigour and independence as commercial, arm's length loans. There is a greater risk of loans defaulting and therefore, investors' money being at risk if:

- an issuer has a high number of loans to related parties; and
- the assessment and approval process for these loans is not independent.

The Company's Board policy and the Trust Deed do not permit the Company to advance money to any related entity. As at the date of this Prospectus, the Company has not and does not intend to make any loans to related entities.

Investors should note that the Company has co-invested in two single registered first mortgage pari passu loans with TSL Capital Pty Ltd ABN 11 603 922 434 as trustee of the Platinum Select Mortgage Income Fund. The investments are not a related party transaction for the purposes of benchmark 6, although has been noted here as TSL Capital Pty Ltd is a related body corporate of the Company. The investments were entered into on arms-length terms and the Company applied its standard investment methodology in assessing the investments (for example, in respect of credit worthiness, loan to value ratio and corporate compliance). Any other such transaction would be entered into by the Company on arms-length terms and using the same standard investment methodology.

### **BENCHMARK 7: Valuations - this benchmark is not technically satisfied as some of the information required to be disclosed in accordance with the benchmark is not disclosed in this report. However, the Company does meet the majority of the benchmark standards in relation to valuations.**

Information regarding valuations is important as it assists investors to assess the risks associated with an investment.

This benchmark requires an issuer that is involved in or that lends money for property-related activities, to value properties (ie, real estate) on an 'as is' basis and development property on an 'as if complete' basis, ensuring that development properties are revalued at least every 12 months, unless funds are retained by the issuer and released in stages to cover project completion costs.

Issuers should have a clear policy on how often they obtain valuations, (including how recent a valuation has to be when they make a new loan) and should establish a panel of valuers to ensure that no one valuer conducts more than one-third of the issuer's valuation work. In addition, the appointment of valuers should be with the Trustee's consent. Issuers should also include information about the valuation of any particular property in the issuer's prospectus where the property accounts for 5% or more of the total value of property assets of the issuer or where a loan secured against the property accounts for 5% or more of the total value of the issuer's loan book (or the loan book of a related party through which the issuer has indirectly left money).

Ensuring that valuations are kept up-to-date and shared among a panel means valuations are more likely to be accurate and independent.

The Company intends to lend money for commercial property related activities and take the following approach to valuations:

- Properties are generally valued on an 'as is' basis and development property will be valued on an 'as if complete' basis;
- The Company obtains valuations on a regular basis (generally every 12 months) and valuations of properties for new loans must be dated no older than 12 months at the date of the advance;
- Where loans are advanced for property development, an independent quantity surveyor with appropriate expertise applicable to the size and complexity of the development and geographic spread in which the properties are located, is appointed by the Company to oversee the cost to complete the property development.
- The quantity surveyor undertakes an onsite inspection of the property prior to each drawdown, to provide the Company with certification and authorisation to pay for works to date, together with an assessment of the remaining 'cost to complete'. This process reduces the risk that a property development funded by the Company will not be able to be completed within the approved loan amount.
- To ensure that no one valuer conducts more than one-third of the Company's valuation work, the Company maintains a panel of independent accredited valuers diversified by property valuation expertise and geographic spread in the areas in which the Company's security properties are located; and

- The Trustee has consented to the appointment of the valuers currently on the panel (on the basis of having received confirmation from the Company as to appropriate due diligence enquiries having been made by the Company on the valuers). Due diligence includes an assessment of the valuers' areas of expertise and verification of appropriate licences and/or registrations, together with evidence of current Professional Indemnity cover. The panel is subject to periodic review by the Company.

The loans referred to in the table on the right hand, account for more than 5% of our loan book, and in accordance with the benchmark requirements, details of the valuation of the property which secures the repayment of the loan are included in the table.

We have not disclosed information in relation to the following matters which ASIC considers should be disclosed:

- the identity of the valuers;
- the original cost of the properties;
- details of the valuation method; or
- the key assumptions used in the valuation.

We have not provided this information as we do not consider this information to be relevant to investors given the nature of the information disclosed regarding the appointment of the valuers and the size and nature of our business. In particular, as we operate a pooled mortgage business with conservative LVR's on its loans, we do not consider the details of the individual valuations provided in respect of each property need to be disclosed.

## Loan Valuation Table

Loan Number	Loan Amount	Percentage of Loan Book	Property Value	Date of Valuation
#4033*	\$2,833,000.00	15.78%	\$29,650,000.00	01/03/2016**
* Joint Facility with another Lender. Total Loan \$17,000,000.00. Other Lender portion \$14,167,000.00. Turners portion \$2,833,000.00.				
#4051	\$3,989,049.44	22.20%	\$6,395,000.00	07/03/2017
#4053*	\$4,641,282.38	25.84%	\$12,692,000.00	26/09/2017
* Joint Facility with another Lender. Total Loan \$8,146,282.38. Other Lender portion \$3,505,000.00. Turners portion \$4,641,282.38.				
#4054	\$1,015,000.00	5.66%	\$1,450,000.00	18/10/2017
#4055*	\$1,800,000.00	10.02%	\$4,985,000.00	31/10/2017
* Joint Facility with another Lender. Total Loan \$3,485,000.00. Other Lender portion \$1,685,000.00. Turners portion \$1,800,000.00.				
#4056	\$2,500,000.00	13.92%	\$5,400,000.00	19/02/2018

\* These loans have been provided to the borrower in a joint venture arrangement with another lender. The amounts included in the table refer to amounts lent by the Company only. However, another lender has also advanced money to this borrower. The Company and the other lender, together, have a registered first mortgage over the relevant property.

\*\* The Company has been advised that a contract of sale has been entered into for the property and that settlement is anticipated to occur prior to 30 June 2018. The Company is satisfied that the security it holds in respect of the loan is sufficient to ensure that the loan can be repaid in full.

NB: Shows only primary security. For some loans collateral securities are also held.

## BENCHMARK 8: Lending Principles – Loan-to-Valuation Ratios (LVR) - this benchmark is satisfied by the Company

A high LVR means a loan is more vulnerable to changing market conditions, such as a downturn in the property market. Therefore, the risk of investors losing money could be higher.

This benchmark requires issuers who on-lend money in relation to property-related activities to maintain an LVR of 70% on the basis of the latest 'as if completed' valuation, where the loan relates to property development and in all other cases 80% on the basis of the latest market valuations.

Where the loan relates to property development by a second person, issuers should ensure that funds are only provided to the developer in stages based on external evidence of the progress of the development.

In respect to funding of development activity, all construction loans will be made on a progressive funding basis requiring certification by a party independent from the borrower, such as an architect or quantity surveyor, as to the value of work complete prior to funding any progressive construction loan drawings. We generally maintain a more conservative LVR policy than outlined in this benchmark as detailed in section 4 of the Prospectus. The maximum loan to valuation ratio for loans for residential purposes is 80%, commercial, retail and industrial is 70%, loans for vacant land is 60%, and loans for rural purposes is 50%. Where the loan relates to construction and development activities an LVR of up to 70% of the end value of the development may be approved.

## Interest Rates

The interest rate for a Secured Note will be the rate applicable on the date we accept the application and will be specified on the Secured Note certificate issued. The interest rate applicable to a Secured Note will depend on the maturity term and the interest payment frequency nominated in the application. We may offer special investment alternatives from time to time.

The interest rate is fixed for the term of the Secured Note once an application has been accepted, subject to any early redemption. Investors should confirm the current interest rates and available investment options with the Company or their financial adviser prior to completing the application form.

This may be done by calling 1300 731 204 or visiting the Company's website at [www.turnersecurities.com.au](http://www.turnersecurities.com.au).

We reserve the right to increase or decrease all or any of the interest rates or to vary available investment options before any new application is accepted. Any variation of interest rates or available investment options will be advised to investors and published on the Company's website at [www.turnersecurities.com.au](http://www.turnersecurities.com.au). The changes will apply only to Secured Notes issued for applications accepted on or after the date of the variation.

If we receive an application that selects a non-current interest rate or investment option, we will either:

- Contact you and arrange a refund of the application money; or
- Issue Secured Notes to you at the then current interest rate or the then current investment option nearest the one applied for. You will then have the right to cancel the investment by advising us in writing, within one month after we will notify you of the terms on which your Secured Note has been issued to you.

Interest is calculated on a simple interest basis fixed for the term of the Secured Note, starting on the day the invested

amount is accepted and ending on the last day of the term. For example, investing \$25,000 at 6.5 percent per year payable on maturity for a three year term will return \$4,875 of interest. For terms less than one year, this calculation is based on a year of 365 days.

We will pay interest to you by direct credit to your nominated account with an Australian financial institution.

Interest will generally be paid in arrears on the last day of the interest period selected (ie, monthly or at maturity), adjusted from the date of investment in the initial month and for the maturity date in the final month. However, if you elect to receive all interest on maturity of the Secured Note, then the entire amount of interest will be paid to you at the same time as repayment of the principal invested at the end of the investment term selected.

If the maturity date or date for payment of interest for a Secured Note falls on a weekend or public holiday in Adelaide, the maturity date, the interest payment date and the period for which interest is calculated will be extended to the next business day.

An interest rate calculator is located on the Company's website at [www.turnersecurities.com.au](http://www.turnersecurities.com.au) to assist you in confirming the interest amounts you will receive over the term of your investment, based on the interest rate offered for your investment option. If you do not have access to the internet, then you are invited to call the Company for more details on 1300 731 204.

## Accrued Interest Income

Investors who subscribe for Secured Notes with terms longer than 12 months with interest paid on maturity should be aware that they may be required by Division 16E of the Income Tax Assessment Act 1936 (Cth) or Division 230 of the Income Tax Assessment Act 1997 to include the accruing interest income in their annual tax returns. The Australian Taxation Office uses a formula to calculate the annual accrual.

We will report this amount to you after the end of each tax year.

Investors are advised that we will provide investors with information regarding the accrued interest attributable to their investment from time to time. However, investors should seek independent tax advice in relation to their own circumstances.

## Maturity of Secured Notes

We will contact you between two and four weeks prior to the investment maturity date and notify you of the upcoming maturity date and where you can access updated information regarding the Secured Note investments (for example, the current prospectus and any updated disclosure reports or notices). If you ask us to do so, we will send you hard copies of this updated material, to ensure that you are able to make a fully informed decision regarding whether to rollover your investment.

Upon receipt of a request from you, we will repay the amount of your Secured Note on its maturity date.

If we do not receive instructions from you regarding the maturity of your investment, we will rollover your investment for an equivalent maturity term and interest payment frequency, but at the new interest rate applicable at the maturity date for that term and interest payment frequency.

Where a Secured Note is to be repaid, the payment will be made by direct credit to your nominated account. No third party payments are permitted. For more information, refer to the summary at Benchmark 3 on page 3.

### Early Redemption by Investors

While we have no obligation to facilitate the early redemption of Secured Notes, we will consider an investor's request for early redemption in special circumstances (for example, where an investor encounters financial hardship).

If we agree to a request for early redemption, then we will deduct an administration fee from the repayment amount. The administration fee charged by us in these circumstances may be up to 3% of the original investment amount of the Secured Note. The minimum fee payable will be the greater of 1% of the original investment amount or \$350.

Requests for early redemption must be provided in the format we require. If accepted, redemptions will be made by repayment of the Secured Note amount, together with accrued interest up to the day preceding the date of redemption, less the prepayment administration fee.

### Early Redemption

We reserve the right to redeem some or all of the Secured Notes on issue at any time prior to the Secured Note maturity date by giving at least three months prior notice in writing to the Trustee and to those investors whose Secured Notes are to be redeemed. Any early redemption will be affected by repayment of the Secured Note amount, together with accrued interest up to the day preceding the date of redemption.

### Transfers

Secured Notes may be transferred without our consent. However, notice must be given to the Company in writing of the intention to transfer and all transfers must be registered by the Company and must be for the full amount of the Secured Notes involved. An administration fee of \$150 per Secured Note holding will apply to any transfers.

## Our Lending Business

Our lending business is focused on making loans secured primarily by first registered mortgages (and collateral security, where required) to commercial borrowers who require flexible loan terms and conditions not offered by Australia's traditional financial institutions.

These market segments represent an opportunity for us where we are able to meet a specific demand for alternatives to traditional financial institutions. We are able to respond promptly to assess the borrower's needs, negotiate acceptable solutions and provide a decision on applications from our senior management who are directly involved in the process.

Typical borrowing clients include:

- Property investors raising funds to purchase another property or acquire land for development;
- Borrowers seeking bridging loans to complete purchase and sales transactions with timing mismatches; and
- Business owners and self-employed professionals seeking to access equity from property assets to meet short term working capital or capital expenditure peak requirements.

Our loan portfolio attracts a higher average interest rate than that of traditional lenders. This is consistent with the target specialist lending market and the shorter term nature of the facilities provided (generally for up to one year but for never longer than three years). These rates are, however, often less than other alternative sources of funding such as finance companies, private lenders and solicitors' loans.

All secured loans are established with a fixed interest rate. The fixed interest nature of our loans enable us to manage interest repayments on Secured Notes and is why we offer interest rates on Secured Notes that are fixed for the term of the Secured Note.

## Commercial Loans

We only lend money to commercial borrowers, although we may take security over residential assets to secure the repayment of the loans. As we only lend money for commercial purposes, we are not required to hold an Australian Credit Licence.

### Strategy

We are focused on growing our business through the development of relationships with new borrowers on an ongoing basis. However, in order to ensure the stability of our business and to reduce the risks of loan defaults, we carefully assess each prospective borrower and take the time to get to know and understand the borrower's business to ensure that it is appropriate for us to lend money to the borrower.

For this reason, the growth of our Company has been slow and we anticipate that we will continue to grow on a slow but steady basis.

The majority of our borrowers are sourced through contacts of the Board, or through word of mouth. As the relationships we develop are important to us, we do not advertise broadly and seek to ensure that we have the time to properly assess each application on its merits before lending to a prospective borrower.

We value the stability and security of our business (and our ability to repay Investors) over growth.

### Management of risk

Experience: over 30 years

Our management team (including the Board of Directors) has an extensive background in banking and finance, legal, accounting, property valuation and building project management disciplines, as outlined in Section 8.

Our credit policy, approval process, credit committee and lending authority structures are based on this history of management experience honed over three decades of economic cycles in the property, banking and finance and commercial lending business markets in Australia.

In addition, specialist external national expertise is utilized in the areas of property valuation, legal documentation and auditing and this provides the Company with access to the latest market information, industry trends and research resources.

### Monitoring and controls

The experience of our Directors and management team is further supported by an appropriate system of monitoring and control reports that are produced and aligned with processes designed to ensure pro-active actions to minimize risk exposure.

We will endeavour to develop our loan portfolio so that it is diversified across an appropriate spread of property sectors and geographical regions relevant to the portfolio size. The following specific features of our lending policy and processes are designed to minimize potential risk.

- The primary security taken must be a first registered mortgage over real property;
- In certain circumstances (and in addition to the security referred to above) other securities will be taken as additional security support including, but not limited to, additional first or subsequent collateral mortgages, guarantees, company charges, sinking funds or interest prepayments;

- The value of property offered as security is assessed by a professional valuer. The valuer is experienced in the type of property and relevant geographic location and carries an appropriate level of professional indemnity insurance cover;
- The loan to valuation ratio is within the maximum lending policy ratios set out in this Prospectus; and
- An assessment of the borrower's credit history, loan servicing capacity and the nature and location of the security is undertaken.

### Registered mortgages

The foundation of our strategy to minimize risk is that we only lend when the primary security on offer is a first registered mortgage over real estate in Australia with an overall lending exposure at a determined minimum margin below the market realizable value of the security. Second or subsequent mortgages may be taken as collateral security to the loan.

As the holder of a first registered mortgage, we are a secured creditor of the borrower and are entitled to be paid first from the sale proceeds. Other creditors, including second and subsequent mortgagees, and the property owner, can only be paid after we have been paid in full. We will generally register security over borrowing and guaranteeing entities.

We may, from time to time, enter into joint mortgages with other lenders who we consider to be reputable and experienced in the alternative lending market in which we operate.

The terms of any joint mortgage will clearly specify the rights of the lenders to repayment of principal and interest and to enforce the security.

We will only enter into joint mortgages where we consider it is appropriate to do so, ensuring that the mortgage is a first ranking security and is for an amount within the LVR limits specified in the Trust Deed for that type of loan.

### Diversification

We will at all times aim to ensure sufficient diversification is maintained in both the investor portfolio and the lending property portfolios to achieve our risk management objectives.

We will diversify our portfolios by:

- Developing a pool of investors and borrowers rather than having a limited number of significant investors and clients only;
- Aiming for a portfolio spread to ensure that a single common property security or common borrower is to represent no more than 10% of the portfolio of loans (which we anticipate can be achieved when the aggregate value of the loan portfolio reaches \$50 million); and
- Maintaining a spread of security properties across property sectors and regions.

An objective over the medium term is to develop a portfolio of loans with exposure to property security in a range of capital cities and major regional centres.

### Loan to Valuation Ratios

We implement maximum individual loan exposure limits to reduce potential risk of losses in the event that it is necessary to recover the amounts owed to us under the loan by enforcing the security held.

At the time of approving a new loan, the amount to be borrowed, including any interest prepaid or capitalized, must not exceed the proportions of the value of all property over which we will take registered mortgages, as set out below.

The maximum LVR's for various types of loans are specified in the table below.

### LVR's - Maximum by Loan Type

Loans used for	
Commercial/retail/industrial	70%
Loans used for vacant land	60%
Loans used for rural use	50%
Loans for construction and development and where the Company is funding that construction or development	Up to 70% of the end value of the development

In determining the value of the relevant security property, we rely on a valuation report from professional qualified valuers approved for appointment to the Company valuation panel and their appointment to the valuation panel is consented to by the Trustee, on the basis of the Company confirming to the Trustee that the Company has undertaken adequate due diligence on the valuer.

### Liquidity Reserve

We will maintain at all times a minimum of 7% of Secured Note funds raised in a cash liquidity reserve in an at-call bank account.

## Issue of Secured Notes

The Company issues Secured Notes in accordance with the terms of the Trust Deed.

The Company may determine the conditions of issue for any Secured Notes from time to time and may change those conditions at any time for future applications. These conditions may include the repayment period, the interest rate and the minimum face value.

## Secured Notes classification

The Secured Notes issued under this prospectus are classified as secured notes because, among other things, the Company has provided a charge over all of its assets in favour of the Trustee to secure the repayment of money due to investors (Charge). The Charge is a first ranking security. Other than statutory liabilities, there are no securities or other liabilities ranking in priority to this Charge as at the date of this Prospectus.

As the Company is not involved in any business activities which are likely to result in the registration of any securities that rank in priority to the Trustee's registered first ranking security, the Charge will be a first ranking security on an ongoing basis.

The principal assets of the Company underpinning the Charge are the loan receivables, which are secured by registered mortgages over real property. More detail regarding the loans made by the Company and the security for each loan is described in Benchmark 5 (including information referring to past due loans repayment), Benchmark 7 and in the investment terms section of the Prospectus.

The Directors consider that the value of the Company assets secured by the Charge is sufficient to repay the Secured Notes and any other liabilities of the Company that rank in priority or have equal priority to the Secured Notes.

More information regarding the Charge is set out below.

The Secured Notes are not bank deposits.

## Trustee

Australian Executor Trustees Limited ABN 87 007 869 794 has been appointed to act as trustee for the Secured Note holders pursuant to the terms of the Trust Deed.

The Trustee is a member of the IOOF Holdings Limited (IOOF) Group, a leading provider of wealth management products and services in Australia. IOOF is listed on the Australian Securities Exchange.

## Trust Deed

The Trust Deed creates a trust whereby the Trustee holds security and rights and powers of enforcement against the Company on trust for the investors.

Secured Notes can only be issued in conformity with the terms of the Trust Deed.

Money raised through the issue of Secured Notes may only be invested in:

- loans which are secured by first ranking security interest (including registered mortgages) other land and other subsequent ranking security interest where required; and
- Eligible Investments.

You can inspect the Trust Deed at our offices. Alternatively, a copy of the Trust Deed is available on our website [www.turnersecurities.com.au](http://www.turnersecurities.com.au)

## Role of the Trustee

The role of the Trustee is governed by the Act and the Transaction Documents to which it is a party and primarily relates to the holding of security and enforcing the security in accordance with the terms of the Transaction Documents.

Action undertaken by the Trustee under the Trust Deed binds all investors and the Trustee is not obliged to consult investors prior to exercising any of its powers, rights or obligations.

The Trustee:

- is not required to take any action or exercise any right, power or discretion in connection with the Trust Deed or the Charge or any other related matter, fact or circumstance, unless it determines it is appropriate to do so (or where it is specifically required to do so by an extraordinary resolution of Secured Note holders passed in accordance with the Trust Deed);
- is not in any way involved in the day-to-day running, management or decision making process of the Company; and
- has no duty, obligation or liability to the investors or to the Company other than its duties as trustee.

## Meetings of Investors

Meetings of investors may be called by the Trustee or the Company at such time and in such manner as notified by the Trustee or the Company.

The Company must convene a meeting of investors if required in writing to do so by persons holding Secured Notes representing not less than 10% in value in aggregate of all Secured Note Proceeds. Meetings of investors are to be conducted in accordance with the Trust Deed. At all meetings of investors, each investor (present in person or by attorney) has 1 vote on a show of hands, and on a poll, has 1 vote for every \$1 of Secured Notes Proceeds with respect to which the investor (present in person or by proxy) is the registered holder.

### Trustees fees and expenses

The Trustee is entitled to receive an annual fee for its services as Trustee as agreed with the Company.

The Company must also pay to the Trustee all reasonable costs and expenses as detailed in the Trust Deed. If the Trustee is required at any time to undertake duties which require the enforcement of the terms of any Transaction Document by the Trustee or any other duties that are of an exceptional nature (i.e. outside the scope of the normal duties of the Trustee) then the Trustee is entitled to such additional remuneration from the Company.

All remuneration and payments to the Trustee will be paid in priority to any claim by any investor.

### Nature of Interest of Secured Note holders

Investors are not entitled to any equitable or proprietary interest in the trust fund (to the extent that it includes an estate or interest in real property) except in the monies received by virtue of the securities (in relation to that estate or interest in real property) held in the trust fund. Investors are generally only entitled to require the enforcement of securities held in the trust through the Trustee.

### The Charge

The Charge is a fixed and floating charge over the assets of the Company for the purpose of securing its obligations to investors. The Charge is granted in favour of the Trustee. For the purposes of the Personal Property Securities Act 2009 (Cth), the charge is a general security interest in all present and after acquired property of the Company.

### Enforcement of Charge

Following the occurrence of an event of default under the Trust Deed (such as a failure to make a payment or comply with a material obligation under the Trust Deed or the insolvency of the Company), the Trustee may require the Company to pay all money owing to investors. The Trustee may also take action to exercise any of its rights under the Charge in the manner and time it thinks fit.

Subject to any mandatory statutory requirements, the Trustee (or any receiver accepted by the Trustee) must apply any money received as a consequence of enforcement of the Charge in the following order:

- First, in payment of all costs and expenses incurred by the Trustee and/or any receiver;
- Second, in payment of remuneration to the receiver;
- Third, in satisfaction of the amounts secured by the Charge (including moneys due under the Secured Notes) in such order as determined by the Trustee; and
- Fourth, any balance to the Company.

The Trustee must, subject to its limitation of liability and its right of indemnity out of the assets of the debenture trust being satisfied, take action to enforce the Charge where it is directed to do so by:

- Secured Note holders representing at least 10% in value of the aggregate principal amount held by all Secured Note holders - if any action is taken in respect of any failure to pay Secured Money to the Secured Note holders; or
- Secured Note holders passing an extraordinary resolution, following an event of default under the Trust Deed (other than in relation to the payment of Secured Money to Secured Note holders as referred to above).

*Secured Note holders should note that any action against the Company must generally be taken by the Trustee. Secured Note holders can only take action against the Company in circumstances where the Secured Note holders have requested the Trustee, in accordance with the Trust Deed, to take action against the Company and the Trustee has not commenced action on behalf of the Secured Note holders within 30 Business Days of receipt of the notice.*

## Investment risks

Investors should be aware that there are risks associated with investing in Secured Notes, including the risk that you may not be able to recover some or all of your investment or interest attaching to your Secured Notes. Financial returns are only achieved by the Company through the recognition, assessment, monitoring and control of risk factors. It is through the management of this risk that an interest spread can be achieved to provide an acceptable return for the risk profile of the funding raising and lending activities established. This section includes a summary of some of the key risks associated with the Company's business and with investing in Secured Notes.

## Credit and default risks

The key risk factors include those risks that arise from the underlying mortgage lending activities of the Company. Primarily, these are the risks that:

- borrowers will default in their repayment obligations, which could cause substantial losses (including losses associated with funding the overdue loans and losses arising from any delay in taking enforcement action) if there are extended delays in recovering funds (particularly in a declining property market); and
- that the security held in respect of a loan will be insufficient to recover full payment of loans (particularly in a declining property market).

However, the Company is experienced in assessing the credit risk of a borrower and seeks to mitigate these risks by undertaking an analysis of the following factors which are relevant to a borrower's ability to repay any amounts advanced:

- the 'Character' of the borrower, which is analysed through investigation into the borrower's history of meeting past financial commitments, stability of income, stability of residency, management experience and demonstrated ability to adjust to changes across economic and industry sector business cycles and reference checking.
- the 'Cashflow' of the borrower which is assessed following an analysis of historical financial statements, relevant budget forecasts and cash flow projections indicating the capacity to meet all obligations; these include the proposed borrowing and any existing borrowing commitments, the margin for adverse movements in income or expenses, the relative volatility in their revenue streams and demand, supply and competitive market forces in their chosen segments.
- the 'Collateral' of the borrower in respect to the quality and quantity of the specific real property mortgaged in support of the loan facility. This also includes the quality and quantity of other assets and insurances that could be realized or financed if required to meet commitments as an alternate source of repayment for the lender.

Loan defaults occur when a borrower does not meet a fundamental obligation under the loan arrangement. This occurs through failure to meet an interest payment obligation or by failing to discharge the loan on or before its due date. Credit losses ultimately can be incurred when the proceeds available from the sale of the property mortgaged to the Company as security for a loan, are less than the amount owed under the mortgage.

The nature of our target borrowers, together with the shorter loan terms may result in loan default rates higher than those of traditional lenders. It is important that Investors appreciate that loan defaults are an ordinary part of the Company's business.

While loan default rates may be higher than those of traditional lenders, the Company has developed policies and procedures focused on driving early action to address arrears and any material and adverse change in a borrower's credit profile. This has been done with a view to avoiding and, if necessary, minimizing credit losses. However no guarantee can be given that this will always be the case.

Where a loan is for construction funding for a development, risk may be greater due to factors outside the control of the Company. The major risks associated with development loans are the potential for delays in completion of the development, cost over-runs and the uncertainty of property market conditions prevailing at the time of completion of the development.

### Other risks

In addition to the loan default risk and credit loss risk, investors may suffer a loss if, among other things:

- the Company is unable to invest in suitable and complying mortgages within a reasonable time after the issue of Secured Notes;
- mortgage interest rates fall after Secured Notes have been issued reducing potential interest earnings spread;
- the valuations relied on when making lending decisions do not accurately reflect the value of the property at the time it is sold (either because the valuations were incorrect or because of a decline in the property market since the loan was advanced);
- there is a lack of diversification (for example, multiple loans are made to more than one borrower) and a default event occurs in respect of a significant portion of the loan portfolio;
- where the Company relies on collateral security in the form of second ranking mortgages, losses and delays can be incurred as a result of the costs and difficulties of enforcing second ranking security (which require that the first ranking creditors be paid out in full before the Company can access any amounts);
- other factors beyond the control of the Company occur, such as adverse economic conditions or force majeure events; or
- there is any variation in legislation and/or government policy (as this may affect the Company and the business environment in which it operates). For example, there may be changes to taxation laws, policy or practice that adversely affects the Company or Secured Note holders.

Investors should also note that:

- there is a risk that, during the term of a loan facility, the total debt outstanding may accumulate and exceed the LVR limits prescribed for the loan or the value of the mortgaged property due to a combination of factors; including a decline in the value of the mortgaged property, accrual of unpaid interest and other incurred costs; and
- as there is no established secondary market for Secured Notes and the Company is not obliged to redeem any Secured Note until maturity, investors are committed for the term of the relevant Secured Note.

## FINANCIAL INFORMATION

The information in this section of the Prospectus is important, as it provides you with information regarding the financial performance of the Company in recent years. The financial health of the Company is directly relevant to the Company's ability to repay your investment and you should consider this information carefully. However, you should note that past performance is not inductive of future performance.

This information in this section of the Prospectus includes an extract of the financial statements of the Company for the half year ended 31 December 2017 and the financial statements of the Company for the years ended, 30 June 2017 and 30 June 2016.

The financial statements from which the information has been extracted have been reviewed by the Company's auditor for the half year ended 31 December 2017 and audited by the Company's auditor for the year ended 30 June 2017 by the Company's auditor, William Buck. The financial statements for the year ended 30 June 2016 have been audited by the Company's previous auditor, Nexia Edwards Marshall. William Buck has audited the financial statements for the year ended 30 June 2017 and Nexia Edwards Marshall has audited the financial statements for the year ended 30 June 2016, to form an opinion whether the financial report is in accordance with the Act including giving a true and fair view of the Company's financial position and performance and complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001 (Cth).

The most recent findings of William Buck (for the period ending 31 December 2017) were set out in the Independent Auditors Review Report to the members of the Company dated 26 February 2018. The review was conducted in accordance with the Australian Auditing Standards on Review Engagements ASRE 2410 'Review of a Financial Report Performed by the Independent Auditor of the Entity' and stating whether they have become aware of any matters to make them believe the financial report is not in accordance with the Act and giving a true and fair view of the Company's financial position and performance for the half year ended 31 December 2017. The Auditor's Conclusion in that report was issued without any qualifications.

Upon request, the Company will provide a copy of the Company's audited financial statements free of charge to any person in receipt of the Prospectus during its currency. A copy is also available on the Company's website at [www.turnersecurities.com.au](http://www.turnersecurities.com.au)

The Directors of the Company declare that the financial statements and notes thereto comply with Accounting Standards and the Act and give a true and fair view of the financial position of the Company and that in the opinion of the Directors, there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

<b>BALANCE SHEET</b>	<b>31-Dec-17</b> \$	<b>30-Jun-17</b> \$	<b>30-Jun-16</b> \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7,424,155	10,185,070	5,465,510
Trade and other receivables	21,483,715	17,487,889	16,369,987
Current tax receivable	3,334	-	8,397
Other assets	42,801	7,872	4,666
<b>TOTAL CURRENT ASSETS</b>	<b>28,954,005</b>	27,680,831	21,848,560
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	7,093	5,278	-
Property, plant and equipment	52,145	49,505	10,852
Deferred tax assets	17,067	12,154	17,416
<b>TOTAL NON-CURRENT ASSETS</b>	<b>76,305</b>	66,937	28,268
<b>TOTAL ASSETS</b>	<b>29,030,310</b>	27,747,768	21,876,828
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1,042,984	204,990	125,378
Borrowings	21,505,720	21,317,720	17,496,920
Current tax liabilities	15,122	15,122	-
Employee benefits	41,706	40,598	37,594
Other financial liabilities	637,517	491,575	438,355
<b>TOTAL CURRENT LIABILITIES</b>	<b>23,243,049</b>	22,070,005	18,098,247
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	4,686,000	4,486,000	2,612,000
Deferred tax liabilities	13,454	12,586	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,699,454</b>	4,498,586	2,612,000
<b>TOTAL LIABILITIES</b>	<b>27,942,503</b>	26,568,591	20,710,247
<b>NET ASSETS</b>	<b>1,087,807</b>	1,179,177	1,166,581
<b>EQUITY</b>			
Issued capital	913,335	913,335	913,335
Retained earnings	174,472	265,842	253,246
<b>TOTAL EQUITY</b>	<b>1,087,807</b>	1,179,177	1,166,581

## Interim Statement of Changes in Equity For the Half Year Ended 31 December 2017

	Ordinary Shares \$	Redeemable Preference Shares \$	Retained Earnings \$	Total \$
<b>Balance at 1 July 2017</b>	213,335	700,000	265,842	1,179,177
Profit attributable to members of the entity	-	-	(56,132)	(56,132)
Dividends paid or provided for	-	-	(35,238)	(35,238)
<b>Balance at 31 December 2017</b>	213,335	700,000	174,472	1,087,807

## Statement of Changes in Equity For the Year Ended 30 June 2017

	Ordinary Shares \$	Redeemable Preference Shares \$	Retained Earnings \$	Total \$
<b>Balance at 1 July 2016</b>	213,335	700,000	253,246	1,166,581
Profit attributable to members of the entity	-	-	82,596	82,596
Dividends paid or provided for	-	-	(70,000)	(70,000)
<b>Balance at 30 June 2017</b>	213,335	700,000	265,842	1,179,177

## Statement of Changes in Equity For The Year Ended 30 June 2016

	Ordinary Shares \$	Redeemable Preference Shares \$	Retained Earnings \$	Total \$
<b>Balance at 1 July 2015</b>	213,335	700,000	(102,923)	810,412
Profit attributable to members of the entity	-	-	445,046	445,046
Dividends paid or provided for	-	-	(88,877)	(88,877)
<b>Balance at 30 June 2016</b>	213,335	700,000	253,246	1,166,581

## Profit and loss statement

Income Statement	31-Dec-17	30-Jun-17	30-Jun-16
Sales revenue	1,530,568	2,942,242	3,161,650
Marketing expenses	(7,046)	(18,157)	(20,859)
Occupancy costs	(29,386)	(28,550)	(28,516)
Administrative expenses	(336,721)	(616,129)	(563,920)
Other expenses	(269,399)	(518,787)	(360,214)
Finance costs	(948,193)	(1,637,068)	(1,549,796)
<b>Profit before income tax</b>	<b>(60,177)</b>	123,551	638,345
Income tax expense	-	(40,955)	(193,299)
Deferred tax expense	4,045	-	-
<b>Profit for the year</b>	<b>(56,132)</b>	82,596	445,046
<b>Total comprehensive income for the year</b>	<b>(56,132)</b>	82,596	445,046

## Cashflow statement

Income Statement	31-Dec-17	30-Jun-17	30-Jun-16
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	544,592	276,765	674,724
Payments to suppliers and employees	(319,850)	(1,107,765)	(902,446)
Proceeds from repayment of loans	4,285,856	10,445,553	14,245,705
Interest received	1,812,892	2,168,680	2,163,782
Interest paid	(948,193)	(1,637,068)	(1,549,796)
Payments for loans	(8,283,862)	(11,002,785)	(15,591,037)
<b>Net cash used in operating activities</b>	<b>(2,908,565)</b>	(856,620)	(959,068)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	(7,769)	(48,620)	(7,058)
<b>Net cash used by investing activities</b>	<b>(7,769)</b>	(48,620)	(7,058)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from loans from related parties	2,657	-	-
Repayment of loans from shareholders accounts	-	-	(40,000)
Proceeds from loans from shareholders	-	-	1,650
Proceeds from the issue of debentures	1,143,000	6,884,800	5,211,817
Dividends paid	(35,238)	(70,000)	(88,877)
Repayment of debentures	(955,000)	(1,190,000)	(2,802,002)
<b>Net cash provided by/(used in) financing activities</b>	<b>155,419</b>	5,624,800	2,282,588
<b>Net increase (decrease) in cash and cash equivalents held</b>	<b>(2,760,915)</b>	4,719,560	1,316,462
Cash and cash equivalents at beginning of year	10,185,070	5,465,510	4,149,048
<b>Cash and cash equivalents at end of half year/financial year</b>	<b>7,424,155</b>	10,185,070	5,465,510

## Turner Securities Limited

Independent auditor's review report to members

### Report on the Review of the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Turner Securities Limited (the company) on pages 3 to 10, which comprises the interim statement of financial position as at 31 December 2017, the interim statement of profit or loss and other comprehensive income, interim statement of changes in equity and interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Turner Securities Limited on pages 3 to 10 is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Responsibilities of the Directors for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatements, whether due to fraud or error.

#### Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Turner Securities Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

#### CHARTERED ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square  
Adelaide SA 5000  
GPO Box 11050  
Adelaide SA 5001  
Telephone: +61 8 8409 4333  
[williambuck.com](http://williambuck.com)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Yours sincerely  
**William Buck**  
ABN 38 280 203 274



**Grant Martinella**  
Partner  
Dated this *26<sup>th</sup>* day of *February* . *2018*

## Corporate Governance

The Company has a Board of four Directors whose details are set out below. The Board's responsibilities include:

- Setting the strategic direction of the Company;
- Appointment of the Managing Director and succession planning for executive management;
- Approval of the operating and capital expenditure budgets;
- Reviewing financial reports; and
- Monitoring compliance with the law, Trust Deed, Charge, AFS licencing and other regulatory requirements.

Some of these functions are performed by the Board directly and some are referred to Board committees\* whose role is to report, take action within Board approved parameters and to make recommendations to the Board for approval as required.

The identification and appointment of suitable candidates for the Board appointments will, at all times, be determined on the need for individuals with:

- high integrity,
- experience,
- a record of achievement; and
- a necessary balance of skills relevant to the activities and operating environment of the Company.

\* Committees may include senior management or external professional advisers as necessary in addition to Board Directors.



### Kenneth Mark Flint

MANAGING DIRECTOR

Member of the Credit Committee and Audit & Compliance Committee

Ken Flint has operated a private independent finance brokerage and consultancy practice since 1981 prior to which his experience included four years with Standard Chartered Bank. He is Managing Director of KMF Group Pty Ltd, Australasian Aircraft Finance Pty Ltd (AAF), Australasian Mining Equipment Finance Pty Ltd (AMEF) and TSL Capital Pty Ltd.

In addition to extensive experience in equipment finance, commercial and home mortgage lending broking, Ken has specialty aviation finance expertise. He formed AAF to provide advice to commercial and private aircraft operators throughout Australia. Ken is also an accredited aviation insurance professional. He also established AMEF to provide short term direct funding for the import finance of aircraft, manufacturing equipment together with bridging finance and seasonal working capital needs. However, Ken's primary role is as Managing Director of the Company, where the majority of his time is focused on the Company's business and operations.

Ken holds a Diploma in Financial Services and is an accredited mortgage consultant and equipment finance broker with all major banks and financial intermediaries in Australia.

He is a Fellow of the Australian Institute of Company Directors, member of the Mortgage Finance Association Australia and an accredited member of the Professional Lenders Association Network (PLAN) which is one of Australia's largest mortgage aggregator groups. Ken has held a South Australian Real Estate Agents licence since 1983.

Ken is a shareholder in the Company. For the half year ended 31 December 2017 Ken has been paid \$115,000 and Post-employment benefits of \$10,925 by the Company for performing his role as Managing Director.



### Grant Robert Miles

DIRECTOR (Chairman)

Member of Credit Committee and Audit & Compliance Committee

Grant Miles is the Managing Director and business advisor of accounting firm Moore Stephens (SA) Pty Ltd and has 30 years' experience as a Chartered Accountant in accounting practices providing business advice, accounting and taxation services to a wide variety of commercial business owners, high net worth clients and private taxation clients. In his current role Grant provides professional advice to sophisticated investors as well as managed investment scheme operators and operators of self-managed superannuation funds.

Grant, through Moore Stephens, provides accounting and taxation advice to the Company on normal commercial terms. While Grant's primary role is Managing Director of Moore Stephens (SA), he is involved with the Company on a regular basis, attends Board meetings and is involved in strategic decisions for the Company. For example, Grant has overviewed the Company's decisions concerning the selection of an appropriate information technology platform and the establishment of financial investment and loan portfolio ledger and account management information and reporting systems employed by The Company. Grant is a Responsible Officer under the Company's AFS licence. As a member of the Credit Committee, Grant participates in the approval of all loans made by the Company to borrowers.

Grant is also a Board member of a number of ASX Listed companies, large proprietary companies and 'not for profit' organisations.

Grant holds qualifications as a Bachelor of Arts in Accountancy and is a member of the Institute of Chartered Accountants in Australia.

Grant is a shareholder in the Company and for the half year ended 31 December 2017 has been paid \$43,923 for acting as Director of the Company.



### David James McArdle

DIRECTOR (Deputy Chairman)

Chairman Audit & Compliance Committee, Chairman Credit Committee

David McArdle operates a private property consultancy business and has over 30 years' experience in the commercial, retail and industrial property sectors including a role as a former National Proprietor with Jones Lang Wootton Australia.

Previous board and committee roles held by David include Chairman, The West Beach Trust, Chairman, (SA) Government Office Accommodation Committee, Director, Management Services (WA) Ltd (Manager of the listed Property Trust of Australia), member University of South Australia Building Advisory Committee, member Australian Institute of Valuers and Land Economists Board, member Building Owners and Managers Association Board (now the Property Council of Australia).

David is currently a member of the Urban Renewal Authority Board of Management, and has held numerous advisory roles for SA State and Local Government involving large scale property projects and public asset management issues. He provides the Company with a specialist depth of experience in property security analysis in project development and valuation assessment.

In his role as Director, David attends Board meetings and is involved in all key strategic matters for the Company. While he is regularly consulted regarding and kept informed of the operations of the Company, he is not involved with the Company on a day-to-day basis. However, as Chairman of the Credit Committee, he participates in all lending decisions.

David holds qualifications as a Master of Applied Science in Project Management, Graduate Diploma in Building Project Management and a Diploma in Technology in Valuation and he is a Life Senior Fellow of the Financial Services Institute of Australia (FINSIA).

David is a shareholder in the Company and for the half year ended 31 December 2017 has been paid \$13,200 for acting as Director of the Company.



### Michael Wilkins

DIRECTOR

Member of the Credit Committee

With over 25 years industry experience and beginning his Financial Services career as a Principal of the Associated Planners Group, Michael developed a passion for building enduring client and business relationships. Placing a value on education Michael holds a Diploma of Financial Planning and has a Masters of Business Administration (MBA). He is currently in an Executive Director role on the Findex Group Board.

Michael has been responsible for building a strong and dynamic adviser force for the business. As Findex's Chief of Adviser Services, his responsibilities include:

- Managing the group's advisory force, spanning across a suite of service offerings (financial planning, risk, lending and corporate benefits).
- Assisting advisers in the management of their client relationships and service offering.
- Continually develop new concepts and enhanced products for advisers to offer clients with a strong focus on streamlining internal systems and processes to maximize overall business efficiencies.

In his role as Director, Michael attends Board meetings and is involved in all key strategic matters for the Company. While he is regularly consulted regarding and kept informed of the operations of the Company, he is not involved with the Company on a day-to-day basis. However, as a member of the Credit Committee, he participates in all lending decisions.

Michael is a shareholder in the Company and for the half year ended 31 December 2017 has been paid \$13,200 for acting as Director of the Company.

## Transactions with Directors Interests

Each Director holds or has an interest in shares in the Company. No Director or any of the persons described in section 711(4) of the Act has at the date of this Prospectus or had within the previous two years any interest in the promotion of the Company, the offer of Secured Notes or any property proposed to be acquired by the Company, except as follows:

- Grant Miles is Managing Director of Moore Stephens (SA) Pty Ltd and this firm provides accounting and taxation services to the Company on normal commercial terms and conditions.

No amounts have been paid or agreed to be paid, or benefits provided or agreed to be provided to any director or proposed director to include them to become or qualify as a director of the Company, or to any director or other person referred to in section 711(4) of the Act for services provided by them in connection with the formation or promotion of the Company or the offer of Secured Notes.

## Audit and Compliance Management

The Company has established an Audit Risk Management and Compliance Committee (Committee) to assist the Board in discharging its corporate governance and oversight responsibilities in a professional and effective manner. The Committee reviews and reports to the Board on the following matters:

- Financial integrity
- Regulatory reporting
- Legal compliance (including AFS Licence requirements)
- Management of risk within the Company; and
- Audit effectiveness.

The Committee will maintain a monitoring and review procedure with an objective to ensure compliance with all relevant laws and licence requirements, industry best practice, simplicity and excellence in the Company's processes, procedures and client service. The specific focus of the Committee is:

- Adherence to the terms of AFSL 307209 issued to the Company;
- Regulatory and financial reporting to the Trustee, ASIC and other stakeholders;
- Internal monitoring, reporting and control systems, policies and procedures;
- Internal financial controls and the effectiveness of the external auditors;
- Implementing risk management systems to manage credit, financial and operational risk;
- The funding operations, including marketing activity and Prospectus preparation; and
- Reporting and making recommendations to the board of directors as appropriate to initiate required process improvements or policy changes.

## Professional indemnity insurance

The Company confirms that it has arrangements in place to ensure it continues to maintain Professional Indemnity insurance in accordance with section 912B of the Act. In particular our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to \$2,000,000 for the Company and our representatives in respect of our authorizations and obligations under our AFS licence. This insurance will continue to provide such coverage for any representative who has ceased work with the Company for work done whilst engaged with us.

## Electronic Prospectus

This Prospectus may be issued in paper form or as a 'PDF' electronic prospectus. The electronic Prospectus may be accessed and downloaded from the Company's website at [www.turnersecurities.com.au](http://www.turnersecurities.com.au). The Secured Note offer is only available to those persons who receive an electronic version of the Prospectus in Australia. A paper version of the Prospectus can be obtained free of charge by contacting the Company.

## Privacy Statement

Investors authorise the Company to collect and use personal information provided by them in the application form and in all future communications between the Company and the investors.

The Company uses the personal information collected to:

- comply with requirements under the Act and the Trust Deed and any other law; and
- maintain a register of names and addresses of investors; and
- administer your investments (which may include disclosing personal information to contractors who provide administration services of powers and market research companies).

During normal business hours, individuals have a limited right to inspect the Register or obtain a copy of the Register in accordance with the Act. If you do not consent to these disclosures or uses, then you should not invest. Protecting your privacy is important to us and we take reasonable care to ensure that the personal information we hold about you is correct, maintained in a secure, protected manner and treated confidentially in accordance with our obligations under the Privacy Act 1988.

If you wish to know what information we hold about you, or you wish to update any information, please contact us on 1300 731 204.

More information about the Company's privacy policy is included on our website at [www.turnersecurities.com.au](http://www.turnersecurities.com.au)

If you believe that a breach of your privacy has occurred, please contact us to discuss your concerns.

Australian Executor Trustees Limited (AET) may collect personal information of Secured Note holders primarily for purposes of providing trustee services to the Company and for ancillary purposes detailed in the Privacy Policy. AET may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, the Company, professional advisers, the land title office and/or as otherwise instructed by the Company. AET is also permitted to collect and disclose your personal information when required or authorised to do so by law. AET is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with AET's Privacy Policy. The Privacy Policy contains information about how you may access or correct your personal information held by AET and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Privacy Policy at [www.aetlimited.com.au/privacy](http://www.aetlimited.com.au/privacy)

Australian Executor Trustees Limited ABN 84 007 869 794 AFSL 240023

## Disputes and Complaints

We are focused on a commitment to client relationships and aim to resolve any complaints that may arise internally, as soon as possible.

Any Investor with a complaint is encouraged to contact senior management directly by phoning 1300 731 204, although a complaint may be submitted in any manner that the investor elects to adopt. We will acknowledge your complaint as soon as possible and will advise you of our decision on your complaint within 45 days.

You are also able to refer your complaint to CIO, free of charge. The contact details for CIO are:

Credit and Investments Ombudsman  
Reply Paid 252  
South Sydney NSW 1234  
T: 1800 138 422  
F: (02) 9273 8440

## Consents

The following have given and have not, before the lodgement of this Prospectus, withdrawn their written consent to the issue of this Prospectus with the references included in the form and context in which it appears.

- The Trustee has consented to being so named in this Prospectus as Trustee for information purposes only. The Trustee's role in the preparation of this Prospectus is limited, as set out in the Important Information inside the front cover. To the maximum extent permitted by law, the Trustee expressly disclaims and takes no responsibility for any part of this Prospectus.
- William Buck consents to being named in this Prospectus as auditor of the Company for information purposes only. William Buck has had no involvement in the preparation of this Prospectus other than in relation to the appearance of its name in this document as a matter of record as auditor of the Company, has not authorised or caused the issue of the whole or any part of this Prospectus and expressly disclaims and takes no responsibility for any statements in, or omissions from, this Prospectus.
- Moore Stephens (SA) Pty Ltd consents to being named in this Prospectus as the accountant of the Company for Information purposes only. To the maximum extent permitted by law, Moore Stephens (SA) Pty Ltd expressly disclaims and takes no responsibility for any part of this Prospectus.

## Anti-Money Laundering and Counter-Terrorism Financing

In 2006 the Federal Government enacted the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act). Under the AML/CTF Act additional identification and verification is now required of investors.

You must provide the Company with the relevant identification material as set out in Section 11, along with the completed Application Form. The Company may request additional information from you where it reasonably considers it necessary to satisfy its obligations under the AML/CTF Act.

The Company will maintain all information collected from investors in a secure manner in accordance with the AML/CTF Act and relevant privacy principles. The Company will only disclose information about you where it reasonably considers that it is required to do so by the laws of Australia. This means that identification information may be disclosed to government or law enforcement agencies.

## The Directors

This Prospectus is signed on behalf of the Directors, each of whom has consented to its lodgement and accepts responsibility for the information contained in the Prospectus.



Ken Flint  
Managing Director

Act	Means the Corporations Act 2001 (Cth)
AFS	Means Australian Financial Services
AFSL	Means Australian Financial Services Licence
ASIC	Means the Australian Securities and Investments Commission
Board	Means the board of Directors of the Company
Business Day	Generally means a day which is not a Saturday, Sunday or public holiday in Adelaide, unless an event of default has occurred (and has not been rectified), in which case a business day is a day on which banks and the Trustee are open for business in Sydney
Charge	Means the Fixed and Floating Charge dated 7 September 2007 granted by the Company in favour of the Trustee to secure, among other things, repayment of amounts owed to Secured Note holders in accordance with the terms of that document
Company	Means Turner Securities Ltd ABN 85 122 088 617
CIO	Means the Credit and Investments Ombudsman
Director(s)	Means a director or directors, as the context requires, of the Company
Eligible Investments	Means investments having a rating from Standard and Poor's rating group of A-1 or better
LVR	Means, loan to value ratio
Prospectus	Means this Secured Note Prospectus dated 18 May 2018
Real Property	Means land and buildings
Register	Means a register of investors (Secured Note holders) maintained by the Company under the Trust Deed
Secured Money	Means the money and amounts (in any currency) that the Company is or may become liable at any time to pay to the Trustee or any Secured Note holder under or in connection with a Transaction Document
Secured Note	Means each Secured Notes issued or (where the context requires) to be issued under the Trust Deed
Secured Note Proceeds	Means the amount raised by the Company pursuant to the issue of Secured Notes
Total Equity	Means all the residual interest in the assets of the Company after deducting all its liabilities
Total Liabilities	Means all present obligations of the Company arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits
Transaction Documents	Means the Trust Deed, each Secured Note, the Charge and any document or agreement which the Company and the Trustee agree is to be a transaction document and any document or agreement amending or novating any such document
Trust Deed	Means the Debenture and Security Trust Deed dated 7th September 2007 between the Company and the Trustee
Trustee	Means Australian Executor Trustees Limited ABN 84 007 869 794

## Becoming and Investor

Complete your application form using BLACK or BLUE pen. Please ensure you list your full name, or in the case of a company, the full company name plus ABN.

If you are investing in the name of a trust, please ensure the investment is in the name of the trustee, by listing the Trustee's details in the investor details section and where the Trustee is a Company, include the ABN.

Applications for investment in Secured Notes must be made on the application form included in this Prospectus.

The Company will issue a Secured Note certificate for each completed application within three weeks after the date your application is accepted. The Secured Note certificate is confirmation of the Company's indebtedness to the investor for the amount invested. The Company reserves the right at any time during the offer period not to accept any application that is received.

To complete your application, please follow the instructions as per example shown.

## A. INVESTOR DETAILS

Please tick the type of investor and fill in the applicable section as follows:

Type of Investor	Description	Correct Details	Incorrect Details
Individual Investor	Use given names, in full, not initials	Mr John Philip Smith	J P Smith
Joint Investors	Use given names, in full, of all Investors	Mr John Philip Smith	John and Linda Smith
Company	Use the Company's full title, not abbreviations	XYZ Pty Ltd	XYZ P/L
Trusts Superannuation funds	Use the name of the individual or corporate trustee	John Smith Pty Limited	John Smith (Superfund)
Child (a person under the age of 18)	Use the name of the adult responsible for the investment	Mr John Smith	Miss Emily Smith
Other trust	Use the name of the individual or corporate trustee	Mrs Linda Smith or ABC Pty Ltd	Linda Smith Family Trust

Joint Investors will be treated as joint tenants.

Trustees note: applications by trusts must be in the full name(s) of, and signed by, the trustee(s); the trustee(s) is (are) recognized as the owner(s) of the investment; please provide the name of the superannuation fund or child or other trust where indicated.

A company ACN is nine digits. A company ABN is 11 digits.

### Investor's tax file number

Providing a tax file number (TFN) is voluntary. Collection is authorised by current tax laws. If you do not provide a TFN and you do not have an exemption, then the Company is required to withhold tax from your income distributions at the highest marginal tax rate plus the Medicare levy.

For applications by trusts, the TFN of the trust is required.

For applications by a company, the ABN or ACN is required as well as the TFN.

Withholding taxes may also apply in certain circumstances.

## B. INVESTOR'S CONTACT DETAILS

Please complete your mailing address for all correspondence. Please include your email address if you would like to receive electronic updates. For a company, we will act on the authority of the person nominated as the contact person, unless the account authority specifies otherwise (see Section G).

## C. INVESTMENT DETAILS

Please indicate the amount you want to invest and the frequency of your interest payments for the term of your investment. Only one term per application can be chosen. To obtain the current interest rates please refer to the current interest rate sheet or call Turner Securities Ltd on 1300 731 204. Our rates can also be found on our website, [www.turnersecurities.com.au](http://www.turnersecurities.com.au)

Insert the corresponding interest rate for your chosen term on the application form.

## D. PAYMENT METHOD

There are several ways that investors can lodge their funds.

### Cheque

Should be made payable to 'Turner Securities Ltd'. The Company does not accept cash, credit cards or travellers cheques.

### Electronic funds transfer (EFT)

To use EFT please use the Company's bank account details below.

#### Bank

National Australia Bank

#### Account name

Turner Securities Ltd

#### BSB number

083 001

#### Account number

87 132 0771

## E. YOUR BANK ACCOUNT DETAILS FOR INTEREST PAYMENTS AND REDEMPTIONS

Your interest payments and redemptions will be direct credited to an account that you nominate on the application form. The details you provide will be shown on your Secured Note certificate. Please insert the name of your nominated Australian financial institution (bank, credit union, etc), your account name, BSB number and account number. Please ensure you provide the correct information. The Company is not responsible for any misplaced, lost or unrecoverable funds where it has relied on the information provided.

## F. DECLARATION AND SIGNATURE

Please sign and date your application. Joint applications must be signed by each applicant.

If this is a company application then it must be signed by:

- two directors or one director and a secretary; or
- the person who is the sole director and a secretary (if applicable).

Please indicate the officer (i.e. director or secretary) for each signatory.

## G. ACCOUNT AUTHORITY

Please tick the box 'One to sign' if we may act on the authority of the contact person alone (Section F). If you tick 'All to sign' we will act only on the authority of all joint investors, and in the case of a company, on the authority of two directors or one director and a secretary, or the sole director and secretary.

## H. IDENTIFICATION

In terms of requirements under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) please note the following identification document requirements are to be supplied with your application form.

### Individual applicants

Please provide the documentation from either i) or ii)

i) A current original or certified copy of ONE of the following

- an Australian driver's licence containing a photograph of the person
- an Australian passport
- an identification card issued by a state or territory of Australia that contains the date of birth and a photograph of the card holder, or

- a foreign government, the United Nations or a United Nations agency issued passport or similar travel documents containing a photograph and signature of the person. Where the document is not in English, it must be accompanied by an English translation prepared by an accredited translator.

ii) A current original or certified copy of ONE of the following:

- an Australian birth certificate
- an Australian citizenship certificate
- a pension card issued by Centrelink
- a foreign driver's licence that contains a photograph of the person. Where the document is not in English, it must be accompanied by an English translation prepared by an accredited translator
- a citizenship certificate issued by a foreign government. Where the document is not in English, it must be accompanied by an English translation prepared by an accredited translator
- a birth certificate issued by a foreign government, the United Nations or a United Nations agency. Where the document is not in English, it must be accompanied by an English translation prepared by an accredited translator.

### Plus

An original notice that contains the name and residential address of the person, issued by ONE of the following:

- the Commonwealth or a state or territory of Australia within the preceding 12 months that records the provision of financial benefits
- the Australian Taxation Office within the preceding 12 months: and records a debt payable to or by the person by or to the Commonwealth, or

- a local government or utilities provider in Australia within the preceding 3 months that records the provision of services to that address or to that person.

Individuals acting in the capacity of a sole trader applicant

Please provide the documentation for verification of individuals (listed above) and a business name search.

### Company applicant

Please provide a search of the ASIC database showing:

- the full name of the Company
- the ACN
- the registered office address of the Company
- the principal place of business of the Company
- the names of each director (only provide if a proprietary company)
- the names and addresses of each shareholder (only provide if a proprietary company that is not licenced and is not subject to regulation); and

\* the full names, residential address and date of birth of each beneficial owner.

For beneficial owners, please also provide documentation required for individuals (see above).

### Trust applicant

Please provide the following:

- for a registered managed investment scheme or a government superannuation fund:
  - an ASIC search confirming the registration of the managed investment scheme, or
  - an extract from the relevant legislation confirming registration of the government superannuation fund.
- for an unregistered managed investment scheme that only has wholesale clients and does not make small scale offerings under section 1012E of the Act, a declaration is provided to this effect in the Application Form.
- for all other trusts (including wrap trusts/master trusts/IDPS) please provide the original trust deed or a certified copy or certified extract of the trust deed confirming the following:
  - the full name of the trust
  - the type of trust
  - the country where the trust was established
  - the name of each beneficiary or class of beneficiary

Note - if the trust is a unit trust then you will need to provide a certified extract of the trust register to confirm the name of each beneficiary.

If the trustee is an individual, please also provide documentation required for individuals (see above).

If the trustee is a company, please also provide documentation required for companies (see above).

### Partnership applicant

Please provide the following:

- a partnership agreement, certified copy or certified extract of the partnership agreement, or
- a certified copy or certified extract of minutes of a partnership meeting showing:
  - the full name of the partnership
  - the full name of the partnership, as registered under any state or territory of Australia business names legislation
  - the country in which the partnership was established, and
  - the full name and residential address of each partner.

Please also provide the documentation required for individuals (see above) for ONE partner.

### I. LODGING YOUR APPLICATION

Only original application forms (ie. no photocopies or faxes) will be accepted.

Send your application to:

Turner Securities Ltd  
GPO Box 819  
Adelaide SA 5001

Or you may deliver it by hand to the Company's Adelaide office at:

Level 7, 431 King William Street,  
Adelaide, South Australia 5000.

### Need assistance?

If you have any questions or queries when completing your application form, please contact Client Services toll free on 1300 731 204 between 9.00am and 5.00pm (CST) Monday to Friday, excluding South Australian public holidays.



**Secured Notes**

*Important Notice:*

The Prospectus contains information about investing in the Secured Notes and Investors should read the Prospectus in full before applying for Secured Notes. Any person who provides another person with access to an application form must at the same time (and by the same means give the other person access to the Prospectus and any supplementary disclosures documents). The Company, as issuer of the Secured Notes, will provide paper copies of the Prospectus (which includes the application form) free of charge on request. Secured Notes will not be issued on the basis of this Prospectus later than 18 June 2019. Please refer to the 'How to Complete your Application Form' guide on pages (27 – 29). Please complete the Application Form in black or blue pen using CAPITAL LETTERS.

**A. Investor Details**

Individual
  Joint
  Company
  Superannuation Fund
  Trust/Child

NOTE: Investments made in trust (including superannuation funds, family trusts and on behalf of children) must be in the name of the trustee (s).

**Individual 1 / Joint Investor / Trustee(s)**

Title: (Dr/Mr/Mrs/Ms/Miss)	Given Name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>
Tax File No. or exemption	Date of Birth	
<input type="text"/>	<input type="text"/>	

**Individual 2 / Joint Investor / Trustee(s)**

Title: (Dr/Mr/Mrs/Ms/Miss)	Given Name(s)	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>
Tax File No. or exemption	Date of Birth	
<input type="text"/>	<input type="text"/>	

**Company**

Name of Company	ABN/ACN
<input type="text"/>	<input type="text"/>
Tax File No. or exemption	
<input type="text"/>	

**Superannuation Fund** Note: Please ensure trustee details (individual or company) are completed above.

Name of Superannuation Fund	Tax File No. or exemption
<input type="text"/>	<input type="text"/>

**Trust** Note: Please ensure trustee details (individual or company) are completed above.

Name of Trust	Superannuation Tax File No. or exemption
<input type="text"/>	<input type="text"/>

**B. Contact Details**

Title: (Dr/Mr/Mrs/Ms/Miss)	Given Name(s)	Surname	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Mailing Address (No & Street/PO Box)	Suburb/Town	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Telephone (daytime)	Fax		
<input type="text"/>	<input type="text"/>		
Mobile	Email		
<input type="text"/>	<input type="text"/>		
How would you prefer to be contacted?			
<input type="checkbox"/> Telephone	<input type="checkbox"/> Email	<input type="checkbox"/> Mail	<input type="checkbox"/> Fax

### C. Investment Details \*minimum investment \$25,000 (and multiples of \$10,000 thereafter)

Investment Amount	Rate	
<input type="text"/>	<input type="text"/>	
Term	Monthly	On Maturity
1 year	<input type="checkbox"/>	<input type="checkbox"/>
2 years	<input type="checkbox"/>	<input type="checkbox"/>
3 years	<input type="checkbox"/>	<input type="checkbox"/>

Please tick **one box** to indicate choice of term and interest payment frequency required.

### D. Payment Method

<input type="checkbox"/> Electronic Funds Transfer	<input type="text"/>	Reference Number Please insert your unique reference number (see covering letter)
<input type="checkbox"/> Cheque Attached for	<input type="text"/>	

### E. Your bank account details for interest payments and redemptions

Bank or Financial Institution Name:

Account in the name of:

BSB number  Account Number

### F. Declaration and Signature

I/We have read and understand the attached Prospectus dated 18 May 2018 and agree to be bound by the provisions of the Trust Deed dated 7th September 2007 (as amended to date and as may be amended from time to time) and the conditions of the offer set out in the Prospectus. I/We acknowledge that I/We received the Prospectus in Australia. I/We understand that the terms used in this application have the same meaning as in the Trust Deed. I/We acknowledge that acceptance of My/Our application is at the discretion of Turner Securities Ltd. I/We agree to the collection, maintenance and use of My/Our personal information in the manner set out in the Prospectus and agree to produce such other information as may be requested by Turner Securities Ltd to enable it to comply with its legislative obligations. If signed under power of attorney, I/We declare that I/We have no knowledge of the revocation of that power of attorney.

I/ We have received personally a Prospectus, the electronic Prospectus or a print out of it before lodging this Application Form.

**IDENTIFICATION: Individuals or Directors/Trustees of companies or trusts - Attached is a legible copy of:**

Drivers Licence  Trust Deed  Passport  Other

(Affix common seal if required)	<input type="checkbox"/> One to sign	Signature Investor 1 <input type="text"/>	Date <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 20 <input type="text"/> <input type="text"/>
	<input type="checkbox"/> All to sign	Signature Investor 2 <input type="text"/>	Date <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 20 <input type="text"/> <input type="text"/>

### G. Lodging your Application

Send to: Turner Securities Ltd  
GPO Box 819  
Adelaide SA 5001

Advisor Use only

Stamp/Reference No





**T U R N E R**  
**S E C U R I T I E S**  
L T D

ABN: 85 122 088 617  
AFS LICENCE NUMBER: 307209

Level 7, 431 King William St, Adelaide SA 5000

GPO Box 819, Adelaide SA 5001

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