



Bespoke fixed income investment opportunities for wholesale investors



Tired of low interest rates?

Activate your money and earn monthly distributions from bespoke, secured, fixed income investment opportunities.

Australian Property Bonds™ helps qualified investors **earn regular income** in the current low interest rate environment. Our platform enables you to invest in secured, fixed interest rate direct lending opportunities supported by registered first mortgage over Australian real estate.

Now is your opportunity to **be part of the growing private lending sector** and benefit from a greater income potential. With banks stepping away from lending it is harder for Australian businesses to access finance. Australian Property Bonds fills this gap with our mortgage-backed fixed income products (property bonds) to create win-win outcomes for lenders and borrowers.

Current Rates

MINIMUM TERM	FIXED INTEREST RATE (P.A.)	JULY 2020 PROMOTION <small>(offer ends 31 July 2020)</small>
6 months	3.95%	5.95%
12 months	4.95%	5.95%
18 months	5.95%	-
24 months	6.95%	-
60 months	5.45%	5.95%
120 months	POA	-

Key Features

- 6-120 months options
- A\$100k minimum investment
- Earn regular income (or reinvest interest)
- No setup or maintenance fees
- Fixed interest rates
- Secured by direct first registered mortgage
- Dedicated Client Relationship Manager
- Individual, Company, Trust & Self-Managed Superannuation Fund (SMSF) compatible
- Available exclusively to wholesale investors

Disclaimer: This communication is published by Australian Property Bonds (a trading name of Australian Income Solutions Pty Ltd (t/a 'Australian Property Bonds') (ABN 74 168 878 779, AFSL Auth. Rep. No. 001 276 207 of Quattro Capital Group Pty Ltd (ABN 88 128 914 965, AFSL 334653)). It is provided by way of general information only, is subject to change, and may not be relied upon by any person. Australian Property Bonds is an Australia-based investment advisory firm. Australian Property Bonds' authority under its appointment by Quattro Capital Group Pty Ltd under the Corporations Act 2001 (Cth) is limited to the provision of financial services to wholesale (not retail) clients in Australia only, including general (not personal) financial product advice relating to deposit products, foreign exchange contracts, derivatives, interests in managed investment schemes and securities. Australian Property Bonds and the members of its corporate group (including the issuers of bonds) may have a beneficial interest in the financial services and products of that group (including bonds).

Australian Property Bonds provides advice in relation to financial products of its corporate group only, and terms, conditions and risks apply in respect of such financial products. Such financial products are not a comprehensive range of all possible investment products, are not bank deposits and (like most investments) may be subject to greater risk of capital loss and negative returns than traditional investment products. Prospective investors are strongly encouraged to seek independent professional legal, financial, accounting, taxation and valuation advice before deciding whether they consider any financial products to be suitable for them, and to request any relevant disclosure documents (such as product disclosure statements and/or information memoranda) to ensure that they are fully informed before making any. Prospective investors are strongly encouraged to seek independent legal, accounting, financial, investment, taxation, valuation and other suitable professional advice before deciding whether they consider any financial products to be suitable for them, and to request any relevant disclosure documents (such as product disclosure statements and/or information memoranda) to ensure that they are fully informed before making any investment decision. Past performance should not be relied on as an indicator of future performance. The financial products offered by Australian Property Bonds and its corporate group are available to wholesale clients resident in Australia only. Australian Property Bonds does not accept investment from retail clients, non-wholesale clients or residents of countries other than Australia. Australian Property Bonds and the members of its corporate group are not deposit-taking institutions in Australia or elsewhere and are not authorised to conduct banking activities under the *Banking Act 1959* (Cth).

Security Features

Direct registered first mortgage security

By investing with Australian Property Bonds™ you can earn a fixed income from your investment whilst having the security of a direct registered first mortgage over the following property which is available exclusively from Australian Property Bonds™:

Investment type	Fixed income loan, secured against Australian real estate		
Security Type	Registered first mortgage		
Distributions	Payable monthly or capitalised, as elected		
Address	Lot 110, Rise Crescent Mission Beach QLD 4852		
Property ID	MBPT1-111	Title Reference	50836340
Property Type	Residential Land		
Valuation (date)	A\$127,500 (28 January 2020)		
Min. Investment (50% LVR)	A\$63,750	Max. Investment (90% LVR)	A\$114,750
Borrower (property owner)	Mainland Property Holdings No 2 Pty Ltd (ACN 635 950 113) ATF Mission Beach Property Trust No 2 of Level 27, 35 Collins St, Melbourne VIC 3000		
Purpose	Refinance of existing debt Working Capital		
Exit Strategy	Refinancing of bond loan or sale of property		

*LVR= Loan-to-valuation ratio

Investment underwriting guarantee

Australian Property Bonds™ investment products are covered by a corporate guarantee provided by Munich Underwriters Australia Pty Ltd (“**Munich Underwriters**”) that gives investors an additional 20% loan-to-valuation ratio support.

Munich Underwriters is an Australian company with the corporate backing of Munich Partners Pte Ltd, a Singaporean commodities investment company with a **USD500 million+ net asset position** as verified by BDO, Singapore.



In the unlikely event of default, should you choose to sell the property your investment is secured against and you are unable to achieve a sale price that recovers your investment amount in full, the corporate guarantee entitles you to **claim up to a further 20% of the property value** from Munich Underwriters under the corporate guarantee.

The Munich Underwriters corporate guarantee is exclusive to Australian Property Bonds™ and provides an additional layer of security for further peace of mind.

Frequently Asked Questions

Do I qualify as a wholesale investor?

If you meet any of the following criteria there is a high probability you are eligible to invest:

- investing A\$500k or more; or
- net assets of A\$2.5m or above; or
- gross income of A\$250k or above each year for the last 2 years.

Our team is here to assist you with assessing your eligibility - call us on (03) 8678 0313.

What is a property bond?

A property bond is a loan secured by a mortgage against real property. It allows you to invest in the loan secured by the mortgage knowing that if the borrower defaults on their payment obligations, the mortgage or bondholder has the right to take possession of the property and/or sell the property to recover the debt.

Why invest in property bonds?

Many Australian investors consider the tangible nature of real estate to be a key reason why they invest in mortgage-backed securities such as property bonds. Other key reasons include:

- regular income to support lifestyle choices;
- lower volatility than many other investment types;
- compatibility with various entity types (e.g. SMSF's)
- no ongoing property maintenance required; and
- commonly recognised form of security in Australia.

What does LVR mean?

LVR means loan-to-valuation ratio. It indicates the loan size relative to the valuation of the property securing the loan. In Australia LVR's of 50-90% are quite common for private lenders.

What choose Australian Property Bonds™ over a mortgage fund?

Many investors prefer to hold direct security over the underlying asset, which is often not possible with mortgage funds. Property bonds provide investors direct recourse to the asset that secures their investment, meaning they don't need to wait for a mortgage fund's trustee or investment managers before they can access the security to protect their investment. Mortgage funds also often have ongoing management fees which can erode returns.

How will my investment monies be utilised?

The borrowers that receive funding from Australian Property Bonds™ may utilise investment monies for a variety of purposes including:

- refinancing existing debt;
- construction;
- labour costs;
- property improvements;
- consultants;
- project marketing; and
- working capital.

When do I start earning interest?

You start earning interest from the day your money clears in the Property Bond Agent's bank account.

Do I receive statements?

Yes, we send a monthly statement confirming your investment details including amount of interest earned, payments and/or re-investment.

Who do I contact if I have questions?

Every investor of Australian Property Bonds™ is assigned a Dedicated Relationship Manager. You will have their direct email address and telephone number. We often visit clients throughout Australia and encourage them to visit the location of their security property(s) from time-to-time.

Can I invest in more than one property bond?

Yes. You may like to consider diversifying your property with different property types, locations, returns, LVR's and investment durations.

What risks should I be aware of?

Investors should be mindful that, like all investments, there are risks associated with investing in property bonds. Risks to take into consideration include general investment, lending, liquidity, asset, interest rate, cyber, related party transactions and currency risks.

In the unlikely event that a borrower is unable to meet their repayment obligations you may seek to enforce your mortgage in order to force a sale of the property. Australian Property Bonds can assist with this process if required. This may mean your investment term is longer than the minimum term specified.

How does Australian Property Bonds™ source its investment opportunities?

Australian Property Bonds™ has pre-existing relationships with developers and finance companies with clients that are seeking access to capital to grow their businesses.

Can I withdraw my money out early if I need to?

Generally this is only available if Australian Property Bonds™ can find another lender to take over your loan prior to its end date. Please note this may be subject to a 3.0% + GST arranger fee and is not guaranteed.

Is Australian Property Bonds covered by the Australian Government's Financial Claims Scheme (FCS)?

Australian Property Bonds™ is a non-bank finance company that operates under an Australian Financial Services License, however we do not issue bank deposit products. The Australian Government's Financial Claims Scheme (FCS) doesn't cover investments made in our products as it would with Australian bank deposits.

How to Get Started

Step 1

Once you have read this document in full please complete the Application Form which forms part of this Bond Application Booklet and return a copy by email to invest@australianpropertybonds.com.au or by fax on (03) 8080 6471 along with:

- Certified copy of ID (either driver's license or passport);
- Accountant's Certificate to verify your status as a 'wholesale investor'; and
- All applicable Mortgage Cover Sheet(s).

Your Accountant's Certificate must be no more than 2 years old. An example can be provided if required.

Please send all originals to: **Australian Income Solutions Pty Ltd**, Level 27/35 Collins St Melbourne VIC 3000.

Step 2

Your application for investing with Australian Property Bonds™ will be reviewed and, if accepted, counter-signed to confirm acceptance by the Issuer. You will then be issued with the Bond Agreement and Mortgage(s) for execution and return.

Step 3

Transfer your investment amount to the following ANZ bank account:

Name: Property Bond Holdings Pty Ltd
BSB: 013-030
Account No: 475024196

Or send your cheque made out to **Property Bond Holdings Pty Ltd** to:

Australian Income Solutions Pty Ltd
Level 27, 35 Collins St
Melbourne VIC 3000

Step 4

The Issuer will then register the relevant mortgage(s) at the Land Titles Office of the relevant State within 10 working days after receiving the signed original documents from you, and send you a copy of the relevant mortgage registration document(s) following registration. Please keep all documents on file. You will be issued with an electronic Bond Certificate confirming your investment. Please keep this on file.

Step 5

Receive your interest payments to your nominated bank account within 5 business days after the end of each month.



Need assistance? Our team is available to take your call 24/7 on
(03) 8678 0313

Application Form

1. INVESTMENT DETAILS

Minimum Term	Interest Rate (p.a.)	Bond Class Name	Please select
6 months	3.95%	6M395	<input type="checkbox"/>
12 months	4.95%	12M495	<input type="checkbox"/>
18 months	5.95%	18M595	<input type="checkbox"/>
24 months	6.95%	24M695	<input type="checkbox"/>
60 months	5.45%	60M545	<input type="checkbox"/>
120 months	POA	POA	<input type="checkbox"/>

Amount	A\$
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2. PROPERTY ADDRESS

Your nominated entity will be granted a direct first registered mortgage over the following property -

Address:

Suburb:

Title Reference:

3. INVESTOR QUALIFICATION

Wholesale Confirmation	<input type="checkbox"/>	Yes, I/we confirm the Applicant is a 'wholesale investor' investing A\$500,000 or greater thereby not requiring disclosure under section 708 of the Corporations Act 2001 (Cth)	<input type="checkbox"/>	Yes, I/we have provided a valid accountant's Certificate
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4. INVESTOR TYPE

- Individual or joint investors Super Fund Company Trust

5. INVESTOR NAME

5A. Individual investor/joint investors/sole traders

Investor 1 (individual/sole trader)			
Surname			
Full given name(s)			
Title (Mr/Mrs/Miss/Ms)	Date of birth	/	/
Business Name of sole trader (if applicable)			
Investor 2 (joint investors)			
Surname			
Full given name(s)			
Title (Mr/Mrs/Miss/Ms)	Date of birth	/	/
Business Name of sole trader (if applicable)			

5B. Super fund/Trust/Australian company/Foreign company/Other

Name of entity	
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6. CONTACT DETAILS

This is the address where all correspondence will be sent.

Contact Person	
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Address	
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Best contact number	
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Email	
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7. TAX INFORMATION

6A. Individual investor or entity

TFN	
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Tax exemption	
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ABN	
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6B. Investor 2 (joint investors)

TFN	
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Tax exemption?	
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6C. Non-residents

Australian Property Bonds™ will not accept investment from persons not resident in Australia for tax purposes.

*Please note you are not required to provide your Tax File Number (TFN), but if you decide to, tax may be taken out of your distributions at the highest marginal tax rate (plus Medicare levy).

8. PAYMENT OPTIONS

Please indicate how you will be making your investment.

Transfer your investment amount to the following ANZ bank account:

Name: Property Bond Holdings Pty Ltd
BSB: 013-030
Account No: 475024196

Or send your cheque made out to **Property Bond Holdings Pty Ltd** to:

Australian Income Solutions Pty Ltd
Level 27, 35 Collins St
Melbourne VIC 3000

9. INTEREST DISTRIBUTIONS

Please credit my/our nominated bank account provided in section 10 with my/our interest distributions

Please reinvest my/our distributions

10. NOMINATED BANK ACCOUNT (MUST BE AN AUSTRALIAN FINANCIAL INSTITUTION)

Bank Account (for your interest and principal payments)

Account Name	
BSB	
Account Number	
Bank Name	

11. DECLARATION AND APPLICANT(S) SIGNATURE(S)

- **Applicant / Bonds** - The above-mentioned applicant(s) (the “**Applicant**”) applies for, and requests APB to arrange for the allotment and issue to it of one or more Bonds, to be issued by the relevant Issuer of the relevant Bonds to the Applicant in return for the lending of money of money by the Applicant to the Issuer (through the Issuer’s property finance agent, Property Bond Holdings Pty Ltd; the “**Property Finance Agent**”), in the amount specified in Part 1 (*Investment Amount*), on and subject to the terms of this Agreement (including the relevant ‘Mortgage(s)’ (with accompanying ‘Mortgage Memorandum of Common Provisions’) supporting the Bonds) applied for (the “**Bond Documents**”).
- **Properties** - The Applicant acknowledges and agrees that:
 - (a) *details* - the Bond Documents contain details of certain property(s) which it is intended will be the subject of mortgage security provided by the Issuer to support the Bonds which the Applicant is applying to invest, being those specified in Page 2 (*Property(s) Address*) (the **Property(s)**); and
 - (b) *reliance* - it has not relied, and will not rely, on any information provided to it by or on behalf of any member of the Group in relation to any such Property(s) and by signing this Agreement signifies that has undertaken its own evaluation of any such Property(s) and its or their adequacy for all and any purposes, including sufficiency of security in respect of payments in respect of the relevant Bonds.
- **Investment Amount** - The Applicant agrees to advance to the Issuer (through its agent, the Property Finance Agent) an amount equal to the aggregate face value of the Bonds which it applies for, being the amount specified in Part 1 (*Investment Amount*)(the “**Investment Amount**”), at the same time as the Applicant’s execution of the Bond Documents.
- **Offer / funds** - The Applicant acknowledges and agrees that its execution of the Bond Documents constitutes an irrevocable offer by the Applicant to subscribe for Bonds of the Issuer, and to advance the Bond Amount at the same time as the Applicant’s execution of the Bond Documents.
- **Issuer’s discretion** - The Applicant acknowledges and agrees that the Issuer may in its discretion:
 - (c) *all* - accept the Applicant’s application to invest in return for Bonds, all of the amount applied for;
 - (d) *part* - accept the Applicant’s application to invest in return for Bonds, a lesser amount than that applied for; or
 - (e) *none* - reject the Applicant’s application,and that If the Issuer decides to accept less than the full amount the Applicant has applied to invest in Bonds, it will promptly (and within 5 working days) return to the Applicant any amount which the issuer has decided not to accept, with no interest being payable on any such returned, uninvested amount.
- **Acceptance** - The Applicant’s application to invest in return for Bonds will only be deemed accepted by the Issuer when the Issuer has completed, counter-signed and returned to the Applicant a copy of the fully signed and dated Bond Documents relating to the relevant Bonds which the Applicant has applied invest in.
- **Bond issue** - The Applicant acknowledges and agrees that, subject to the Applicant having advancing the Investment Amount, the Issuer will issue the relevant Bonds within 5 working days after receipt of the Bond Amount, and register the relevant mortgage(s) within 10 working days after receiving the signed original Bond Documents from the Applicant.
- **Advice / understanding** - The Applicant (being a ‘wholesale investor’) acknowledges and agrees that it has, or has had the opportunity to, read, take its own independent legal, accounting, financial, investment, taxation, valuation and other suitable professional advice in respect of matters relating to the Bond it is applying to invest in, and understands, the Bond Documents and the terms, conditions, risks and benefits of its proposed investment, and agrees to be bound by the same.
- **Payments** - The Applicant provides the bank account details in Part 10 (*Nominated Bank Account*) of this Part 11 (*Applicant Details & Signing*) for payment of interest and other monies owing by the Issuer, and acknowledges that interest will either be paid monthly or capitalised and paid at the end of the term, in accordance with the Applicant’s election in Part 9 (*Interest Distributions*) of this Part 11 (*Applicant Details & Signing*).

11. DECLARATION AND APPLICANT(S) SIGNATURE(S) CONTINUED

Executed by the Applicant as an agreement with effect on and from the date set out in its signature block below.

Where the applicant is/applicants are individual(s):

Investor 1:

Applicant Signature		Date	/	/
Applicant Surname				
Applicant Given Name(s)				
Witness Signature		Date	/	/
Witness Full Name				

Investor 2 (join investors):

Applicant Signature		Date	/	/
Applicant Surname				
Applicant Given Name(s)				
Witness Signature		Date	/	/
Witness Full Name				

Where the applicant is a body corporate (including trustee of a trust / SMSF):

Company Name				
Trust Name (if relevant)				
Director Signature		Date	/	/
Director Full Name				
Director Company Secretary Signature		Date	/	/
Director / Company Secretary Full Name				

Office Use Only

Application accepted when countersigned by MAINLAND PROPERTY HOLDINGS PTY LTD (ACN 635 667 435) as trustee of the Mission Beach Property Trust

Director Name:

Signature:

Date: / /

