



RMBL MORTGAGE INCOME INVESTMENTS PRODUCT DISCLOSURE STATEMENT

A contributory mortgage fund with investment in select mortgages

This Product Disclosure Statement (PDS) dated 20 September 2017 has been prepared in accordance with section 1013A of the Corporations Act 2001 and the Australian Securities and Investments Commission (ASIC) has been notified of its use in accordance with section 1015D of the Corporations Act 2001.

ASIC takes no responsibility as to the contents of this PDS.

RMBL is a holder of an AFS Licence (Number 223246) issued by ASIC. Under the terms of RMBL's AFS Licence, RMBL is the Responsible Entity of the Scheme and is authorised to issue interests in the Scheme. RMBL operates the Scheme in accordance with its Compliance Plan, Constitution, AFS Licence, the Corporations Act 2001 and the regulatory framework provided by ASIC.

This PDS does not take into account your investment objectives, financial situation or particular needs. Before making any decision based upon information contained in this document, you should read it carefully and may need to consult a professional adviser.

This PDS is available in electronic format, including from the RMBL website. If you receive it electronically, please ensure that you have received the full PDS and Application Form. Printed copies are available at no charge.

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1. Introduction

RMBL is pleased to present this PDS. RMBL has been in operation since 1960 as a contributory mortgage investment manager.

RMBL prides itself on maintaining strong relationships with both its Members and Borrowers, a majority of whom have been involved with RMBL for many years. RMBL aims to add value and service to our Borrowers as well as a friendly and efficient investment option for Members.

This PDS provides information to Members enabling them to make informed decisions and ensuring the desired placement of funds in Sub Schemes. This PDS also takes into account ongoing changes in the regulatory framework in which we operate. We continue to embrace these changes and believe they add value to our product.

We thank all Members for your support and look forward to providing you with investment opportunities that serve your individual needs.



Colin H Madden

Chairman

2. Directors Of RMBL



Colin Madden



Alex Courtney



Surinder Gurdial



Bruce Fletcher

Whilst RMBL has been in operation since 1960, the Scheme known as “RMBL Mortgage Income Investments” was established in 2000. The Scheme is registered with the Australian Securities and Investment Commission (ARSN 091 248 289).

With a growing team of staff, RMBL has built a reputation for delivering excellent and friendly service. The head office is located in Dandenong, the heart of Melbourne’s industrial south east district.

You can find further information on the team at the RMBL website.

Chairman

Colin Madden LL.B., B. Comm.

Directors

Colin Madden LL.B., B. Comm.

Alex Courtney LL.B., B.Sc

Surinder Gurdial BA. (Hons),
Barrister-at-Law (Lincoln’s Inn)

Bruce Fletcher LL.B.

3. Preliminary Notes

This PDS should be read in its entirety and in conjunction with the Supplementary Product Disclosure Statement (SPDS) and vice versa. This PDS will continue to have effect until it is replaced.

Registration of membership in the Scheme and provision of your funds for investment may only be made and accepted upon the receipt of a completed Application Form accompanying this PDS.

Copies of this PDS, or any material which updates this PDS, are available at no charge from the registered office of RMBL, or from the RMBL website rmb.com.au. Information in this PDS which is not materially adverse is subject to change from time to time and may be updated on the RMBL website.

RMBL is involved primarily in lending for business or commercial purposes. A small number of loans in the Scheme fall under the National Consumer Credit Protection Act.

RMBL is not authorised to provide financial advice and you should consult your business adviser, financial planner, accountant or such other professional as you deem fit to ensure that your investment is in compliance with your needs and meets with your investment criteria. If you are unsure about any matters explained in this PDS or the SPDS you should consult a professional adviser.

Key terms used in this PDS are included at Section 25.



4. What Is Contributory Mortgage Investment?

The Scheme offers investment in Loans, which are secured by first registered Mortgages over legal interests in real property in Australia. Each Loan approved by RMBL is known as a Sub Scheme and is separate from other Sub Schemes. The Mortgages are registered in the name of RMBL as Responsible Entity for the Scheme being the mortgagee or lender. Each Member contributes their funds to one or more Sub Schemes.

As the Scheme is not a “pooled fund”, your entitlement to income or capital is based only on your investment in a specific Sub Scheme and you have no right to the income or capital of other Sub Schemes. Upon receipt of a Consent Form and allocation of your funds to a Sub Scheme there is no cooling off period and you have no right to withdraw from a Sub Scheme (see Section 7.20 which explains this further).

5. Benchmark Disclosure

Under ASIC Regulatory Guide 45, ASIC requires responsible entities of mortgage schemes to provide disclosure against the following 8 benchmarks on an ‘if not, why not’ basis. The purpose of disclosing against the benchmarks is to help Members understand and assess investment in mortgage funds.

Benchmarks

Benchmark 1: Liquidity

For a pooled mortgage scheme, the Responsible Entity has cash flow estimates for the scheme that:

- (a) Demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;
- (b) Are updated at least every 3 months and reflect any material changes; and
- (c) Are approved by the Directors of the Responsible Entity at least every three months.

RMBL Response

This benchmark is not applicable to the Scheme.

The Scheme is NOT a pooled mortgage scheme. RMBL is the Responsible Entity of a contributory mortgage scheme and therefore is not required by ASIC to comply with this benchmark. However, RMBL does prepare such cash flows as are required to be prepared under the revised financial requirements that apply to the responsible entities of registered schemes from 1 November 2012.

Benchmark 2: Scheme borrowing

The Responsible Entity does not have current borrowings and does not intend to borrow on behalf of the Scheme.

RMBL Response

This benchmark is met.

RMBL does not borrow in respect of the Scheme or use Scheme Property as security.

Benchmark 3: Loan Portfolio and diversification

For a pooled mortgage scheme,

- (a) The scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region;
- (b) The scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets;
- (c) The scheme has no single borrower who exceeds 5% of the scheme assets; and
- (d) All loans made by the Scheme are secured by first mortgages over real property (including registered leasehold title).

RMBL Response

This benchmark is not applicable to the Scheme.

The Scheme is NOT a pooled mortgage scheme. RMBL is the Responsible Entity of a contributory mortgage scheme and therefore is not required by ASIC to comply with this benchmark.

As provided in this PDS, specific details of the Sub Scheme into which your funds are invested are provided to you in an SPDS before your funds are invested into that Sub Scheme.

Benchmarks

Benchmark 4: Related party transactions

The Responsible Entity does not lend to related parties of the Responsible Entity or to the scheme's investment manager.

RMBL Response

This benchmark is not met.

As at the date of this PDS, there is 1 Sub Scheme loan in the Scheme that is classified as a loan to a related party. This loan is on arms-length and on no other favourable terms and conditions in accordance with all other loans in the Scheme.

Where a decision is made to lend funds to related parties, RMBL will follow its Conflict of Interest and Related Party Policy in the manner described below:

- (i) the Loan will not be on more favourable terms than for non-related parties;
- (ii) RMBL will provide disclosure to Members investing in the relevant Sub Scheme that the borrower is a related party of RMBL;
- (iii) RMBL will obtain consent from all Members in the related party Sub Scheme to investment in the Loan;
- (iv) RMBL will ensure that the related party satisfies all of RMBL's Lending Guidelines;
- (v) RMBL will obtain final sign off from a majority of the members of the Compliance Committee in addition to the Credit Committee.

Before a loan is accepted by RMBL, the loan is assessed on its merits by RMBL's Credit Committee.

Benchmark 5: Valuation policy

In relation to valuations for the Scheme's mortgage assets and their security property, the board of the Responsible Entity requires:

- (a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;
- (b) a valuer to be independent;
- (c) procedures to be followed for dealing with any conflict of interest;
- (d) the rotation and diversity of valuers;
- (e) in relation to security property for a loan, an independent valuation to be obtained:
 - (i.) before the issue of a loan and on renewal:
 - A. for a construction or development property, on both an "as is" and "as if complete" basis; and
 - B. for all other property, on an "as is" basis; and
 - (ii.) within two months after the directors form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant.

RMBL Response

This benchmark is met.

Further information is provided at Section 7.16 and 7.17 of this PDS.

- (a) RMBL ensures that its panel valuers are members of a recognised state or territory registration regime. RMBL further requires all valuations to be carried out in accordance with the standards of the Australian Property Institute and a statement to this effect is included in all valuation reports.
- (b) All appointed valuers are independent of RMBL;
- (c) There are procedures dealing with potential conflicts of interest included in RMBL's standing instructions to valuers;
- (d) Valuers on the panel are appointed on a case by case basis to do valuations based on expertise and skill for the particular property being offered as security;
- (e) All appointed valuers hold relevant professional indemnity insurance cover acceptable to RMBL;
- (f) RMBL obtains valuation reports on an 'as is' basis where it lends on Non-Construction or Development Loans, and on a Cost to Complete basis which includes details of the value of the property on an "as is", on an "as if complete" and on a "cost to complete" basis for all Construction or Development Loans. Valuations are carried out at the following intervals:
 - (i.) before a Loan is provided to a Borrower (both at the initial stage and where further advances are sought after the commencement of the Loan); and
 - (ii.) where a Borrower wishes to extend the Sub Scheme Due Date.

RMBL will not lend any funds on Non Construction or Development Loans without holding a valuation, quantity surveyor or engineer's report that is less than three months old.

Benchmarks

Benchmark 6: Lending principles - loan to valuation ratios

If the scheme directly holds mortgage assets:

- (a) where the Loan relates to property construction or development – funds are provided to the borrower in stages based on independent evidence of the progress of the construction or development;
- (b) where the Loan relates to property construction or development – the scheme does not lend more than 70% on the basis of the latest “as if complete” valuation of property over which security is provided; and
- (c) in all other cases – the scheme does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.

RMBL Response

This benchmark is met.

As stated at Section 7.8 of this PDS, the maximum loan-to-value (LVR) for all types of Sub Scheme Property is 66.66% of a sworn valuation. RMBL has the power under its Constitution to exceed this maximum, to an amount of 75% of the valuation, and this can only occur after all Sub Scheme Members have provided their written consent.

Where RMBL lends funds on Construction or Development Loans, it requires independent evidence of progress of the Construction or Development by way of either an updated valuation, quantity surveyor or engineer’s report before further funds are released to the Borrower. Where appropriate RMBL pays such further funds directly to the Builder on a project. Wherever applicable, RMBL also appoints independent project managers to supervise projects as well.

Benchmark 7: Distribution practices

The Responsible Entity will not pay current distributions from scheme borrowings.

RMBL Response

This benchmark is met.

The Scheme does not have borrowings.

As stated at Section 7.6 of this PDS, income distribution to Members is made after the corresponding interest payment has been received from the Borrower.

Interest distribution is therefore dependent on the Borrower making a payment of interest on a Loan for a particular Sub Scheme.

RMBL does however have a discretion to pay the interest on the Loan on behalf of a Borrower, where this payment is not made within 14 days of the payment date.

Benchmark 8: Withdrawal arrangements

For non-liquid schemes, the Responsible Entity intends to make withdrawal offers to investors at least quarterly.

RMBL Response

This benchmark is not met.

As stated at Section 7.15 of this PDS, while your funds are in the Trust Account or Interest Bearing Trust Account, you are able to withdraw your funds at any time with 5 working days notice in writing.

Sub Scheme loans are illiquid in nature and as such, generally withdrawals are not permitted. Once funds have been invested into a Sub Scheme, there is no right to withdraw until repayment of the funds has been made by a Borrower (either at the Due Date of the Sub Scheme or on early repayment).

RMBL does however have discretion to allow for withdrawal of your investment outside of repayment of the Sub Scheme, where the Loan is not in default. This discretion can only be acted upon where the following circumstances exist:

- (a) the Sub Scheme is not in default;
- (b) there is a replacement Member who consents to invest their funds into the Sub Scheme; and
- (c) the replacement Member completes all necessary paperwork and returns this to RMBL.

RMBL’s approach to rollovers is discussed at Section 7.19 of this PDS. At the Due Date of the Sub Scheme, you will be contacted by RMBL providing you with an update of whether the Borrower wishes to extend or repay the Loan. It is at this time that you will have the option as to what you would like to do with your funds. Please note that due to the process involved in confirming the Borrower’s intention in respect of a Loan, there may be a delay between the Sub Scheme Due Date and carrying out your request in respect of your funds, however the Mortgage remains in place and interest continues to be payable during this period.

6. Summary Of The Scheme And Investment Procedure

Type of investment	Investment in specific first registered mortgages which provide a competitive rate of interest (variable or fixed) for a fixed term.
Who can invest?	Any person including individuals, companies, trusts or other entities may invest in the Scheme.
How are your funds invested upon receipt of the Application Form?	Upon receipt of the Application Form, and after clearance, your funds are placed into a Trust Account (as detailed below) following which RMBL will forward you a SPDS and Consent Form containing the details of a Sub Scheme, and upon receipt by RMBL of the Consent Form your funds will be invested in that Sub Scheme. Your funds will be deposited into an Interest Bearing Trust Account if they have not been allocated to a nominated Sub Scheme within 10 working days from the date of receipt.
Minimum investment amount	\$10,000 or lesser sum at the discretion of RMBL.
Maximum investment amount	Unlimited but at the discretion of RMBL.
What about investing further funds?	Multiples of \$1,000 may be invested following the minimum investment amount.
Fees Charged to Members	NO FEES are charged by RMBL to Members.
When do I start to earn interest?	<p>Pending clearance of deposited funds, you will earn interest after 10 working days from the date of receipt, or sooner if your funds are invested into a nominated Sub Scheme before that time.</p> <p>You will not earn interest while your funds are in the Trust Account for a period of up to 10 working days from the date of receipt. If your funds have not yet been allocated to a nominated Sub Scheme, your funds will be deposited into an Interest Bearing Trust Account and you will then earn the applicable commercial interest rate offered by the Bank until your funds are invested into a nominated Sub Scheme. On request, we will inform you of the applicable commercial interest rate.</p> <p>Upon investment of your funds into a nominated Sub Scheme, interest is earned at the applicable variable or fixed rate of the Loan from the date of allocation.</p>
Term of Investment	Typically between 1 and 3 years unless otherwise disclosed in the SPDS.
When is interest paid?	Monthly in arrears, unless otherwise disclosed in the SPDS.
How is interest paid?	Interest is paid to your nominated bank account or as directed.

Can interest be reinvested?

The Application Form provides an option for you to reinvest interest (whether earned from a Sub Scheme or from the Interest Bearing Trust Account) and as sums of \$1,000 are accumulated in the Interest Bearing Trust Account, subject to obtaining your consent, these sums may be invested in nominated Sub Schemes.

When can my funds be withdrawn?

5 working days' notice is required if you wish to withdraw your funds from the Responsible Entity's Trust Account or Interest Bearing Trust Account. Once invested into a Sub Scheme, funds can only be withdrawn at the Due Date of the Sub Scheme. Where the Loan is repaid early by the Borrower, you have a choice at that time whether to withdraw your funds or reinvest your funds. See Section 7.19 for further information.

**How do I Invest?
Stage 1**

Securing membership of the Scheme and the investment of your funds in a Sub Scheme is completed in 2 stages.

Stage 1:

To apply for registration as a Member of the Scheme, you should complete the Application Form accompanying this PDS and return it to us with your funds (by cheque, direct deposit or by direct debit where RMBL is authorised) including providing RMBL with necessary verification of identity information.

Funds can be deposited into RMBL's nominated Trust Account:

RMBL Investments Limited
Westpac Banking Corporation
BSB: 033 186
Account Number: 172 767

Upon receipt of the Application Form and subject to clearance, your funds will be held in the Trust Account with the Bank pending Stage 2 of the investment process as described below.

If you have any special requests regarding the investment of your funds to a Sub Scheme, these should be indicated in the Application Form to assist us with Stage 2.

Here are examples of the types of special requests you may have:

- Please do not invest my funds in Sub Schemes consisting of residential property; or
- I am only interested in investing my funds in a Sub Scheme involving commercial property, or;
- I wish to split my investment across a variety of Sub Schemes.

If your funds are not invested to a Sub Scheme within 10 working days from the date of clearance, your funds will be deposited into an Interest Bearing Trust Account and you will then earn the applicable commercial interest rate offered by the Bank until Stage 2 of the investment process can be completed. On request, we will inform you of the applicable commercial interest rate. (As detailed earlier in this Section).

How do I invest? Stage 2

On completion of Stage 1, and subject to availability, RMBL will offer you a Sub Scheme or multiple Sub Schemes in which to invest. RMBL will forward a SPDS with a Consent Form to you containing the information relating to a Sub Scheme. One SPDS will only relate to one Sub Scheme. If you approve of the investment of your funds in a Sub Scheme, the Consent Form must be completed, signed and returned to RMBL within 5 working days from the date of receipt so we may invest your funds into the Sub Scheme. You may return the Consent Form by email, post or facsimile. Upon receipt of the Consent Form, your funds will be invested into your nominated Sub Scheme and at that time, you will start to earn the interest rate applicable to that Sub Scheme.

If you do not consent to investment in a Sub Scheme, subject to availability, RMBL will offer you an alternative SPDS and Consent Form until you are satisfied with the investment of your funds.

The SPDS will contain the following information relating to a Sub Scheme:

- (a) Details of the Borrower;
- (b) The amount of the Loan advance or to be advanced to the Borrower;
- (c) The Commencement Date of the Sub Scheme;
- (d) The Due Date of the Sub Scheme;
- (e) The Lower and Higher Rate of interest payable;
- (f) How interest will be calculated;
- (g) When interest will be paid;
- (h) Details of the Sub Scheme Property;
- (i) The name of the valuer, the value of the Sub Scheme Property, the relevant date and the basis of the valuation;
- (j) The name of any appointed Quantity Surveyor or Engineer where relevant and information provided by them relating to the costings associated with a Construction or Development;
- (k) The applicable LVR;
- (l) The type of Sub Scheme Property;
- (m) Insurance particulars for the Sub Scheme Property (if applicable);
- (n) Statement regarding the Borrower's creditworthiness;
- (o) Reference to the Loan documents executed or to be executed by the Borrower;
- (p) Fees charged to the Borrower

The SPDS may contain other information that is relevant to a Sub Scheme, and you should read the SPDS together with this PDS when making your decision to invest.

Identification of all Members

RMBL is required to identify all new Members investing funds in RMBL. This also applies where an existing Member of RMBL chooses to invest funds with RMBL in the name of a different entity not pre-existing with RMBL, and to all other parties dealing with a Member's investment on their behalf including Member nominated representatives and those acting pursuant to a Power of Attorney.

RMBL will be unable to process your funds and invest them into a Sub Scheme until we have received satisfactory evidence of your identity. It is therefore important that you forward any necessary verification documentation to RMBL along with a completed and signed Application Form and your funds.

RMBL may request additional information and or verification where it deems necessary.

7. Key Features Of Contributory Mortgage Investment

7.1 BORROWER ASSESSMENT

Prior to a Loan being advanced to a Borrower, RMBL conducts an assessment of the Borrower's creditworthiness as part of the Loan approval process.

This assessment includes:

1. completion of RMBL's Loan Application Form which includes details of the Borrower's financial position including assets and liabilities;
2. a meeting between a Director or a nominee of RMBL, and the Borrower and if necessary the Guarantors, to obtain further relevant information and to ascertain the Borrower's requirements and details about the Sub Scheme Property;
3. if necessary, RMBL will obtain further information from the Borrower including tax returns and copies of financial statements;
4. a consumer credit report is obtained for each new Borrower and/or any Guarantors;
5. where the Loan involves a Construction or Development project, RMBL will require full details of all costings, cashflows and all ancillary documents to assess the viability of the project including the ability of the Borrower to complete the project on a timely basis. Where deemed necessary, RMBL will require a certified Quantity Surveyor's or Engineer's report before any Loan advance is made to the Borrower;
6. the loan must be within RMBL's lending guidelines and a majority of the Credit Committee must agree to approve the Loan;
7. wherever possible, the Sub Scheme Property is inspected by a Director or a nominee of RMBL

7.2 CUSTODIAN

The custody of the Scheme's Property is the responsibility of RMBL as set out in RMBL's Compliance Plan. This is monitored by the Compliance Committee, the Senior Compliance Officer and RMBL's auditors.

7.3 EMAIL

If you provide RMBL with your email address in the Application Form or at any time thereafter, you agree that we may send you information about the Scheme by email, and we may send you electronic copies of SPDS' and Consent Forms for the investment of your funds. You also agree that we may accept Consent Forms and other correspondence sent by email from you. You have the right to opt out of receiving emails from us by advising us in writing.

7.4 INFORMATION MEMBERS CAN EXPECT TO RECEIVE

To keep track of your investments, RMBL sends regular information to Members. This will include the following:

Acknowledgment – confirming receipt of your funds for investment.

SPDS and Consent Form – providing details of the Sub Scheme offered to you, along with the Consent Form which must be completed and returned to RMBL within 5 working days from the date of receipt for allocation to the Sub Scheme.

Declaration of Trust – confirmation that RMBL stands possessed of your funds along with the Mortgage documents specific to your nominated Sub Scheme on trust for you.

Interest Statement – this will be forwarded to you whenever interest is distributed to you. You may request a statement for any other period.

Annual Tax Statement – RMBL will provide a statement to you showing the amount of interest received during the relevant financial year.

Interest Bearing Trust Account Statement – RMBL will provide a statement to you showing the amount of interest received during the relevant period while your funds have been in the Interest Bearing Trust Account.

Investment Summary - upon request at any time, RMBL will prepare a list of Sub Schemes where your funds are invested.

Notification of Default – if there is an event of default by a Borrower, you will be informed in writing of the default and the steps that RMBL is undertaking to rectify the default. Members will initially be informed of the default within 7 working days following a Notice of Default being issued by RMBL. Communication regarding the default will continue until the default is rectified or resolved.

Interest rate change advice – You will be advised within 7 working days of a change to the variable interest rate.

Option to Renew investment in existing Sub Scheme – Your consent will be required if a Borrower has requested a Renewal of the term of the Sub Scheme and you wish to continue with the investment of your funds in that Sub Scheme. Otherwise you may withdraw your funds at this time, or elect to move your funds to another Sub Scheme.

7.5 INSURANCE OF SUB SCHEME PROPERTY

RMBL requires the improvements on any Sub Scheme Property to be insured at all times by the Borrower, with RMBL noted on the policy as an interested party. RMBL will hold a copy of the Certificate of Currency with the Sub Scheme records. However, where the Sub Scheme Property consists only of vacant land, or the valuer indicates that insurance of the improvements is not required, then insurance of the improvements on the Sub Scheme Property is not necessary. In this instance, RMBL requires public liability insurance to be in place.

7.6 INTEREST PAYMENTS

Interest distribution to Members in a Sub Scheme will be made upon receipt by RMBL of the corresponding interest payment from the Borrower. This is usually paid between the 22nd and the last day of the month on a monthly basis unless otherwise disclosed in the SPDS. RMBL does not guarantee interest payments to Members.

RMBL will pay interest into your nominated bank account or as otherwise directed. You may elect to reinvest your interest as detailed in Section 6.

Late Payment of Interest

Where a Borrower does not make an interest payment within 14 days from the payment date, the Borrower will be charged interest at the higher rate. The higher rate may be up to 4% more than the lower rate of interest, and this will be disclosed in the SPDS. If the Borrower exceeds the 14-day period, a Notice of Default is issued to the Borrower. See Section 11 which describes how a default is handled, when you will be advised and its affect on your investment.

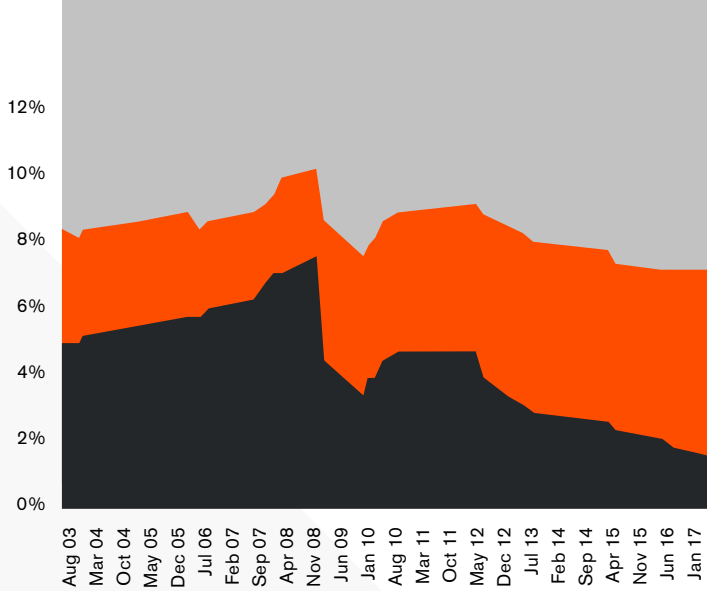
RMBL may in its absolute discretion make a payment of interest to you on behalf of a Borrower if the Borrower has not paid the interest on the payment date. This will only occur in exceptional circumstances or at the request of the Borrower where the Borrower has undertaken to pay interest after the 14-day period.

If RMBL exercises its discretion and pays interest to you on behalf of a Borrower at the lower rate, then the difference between the lower rate and the higher rate will be retained by RMBL. This is to compensate RMBL for the cost of managing the defaulting Loan. You will be notified of any such payment of interest by RMBL and further, that you will not be entitled to receive any interest above the lower rate collected by RMBL for that Sub Scheme. Where RMBL makes a payment of interest on behalf of a Borrower, a Borrower will still be issued with a Notice of Default and you will be informed accordingly.

ANY DISCRETIONARY PAYMENT OF INTEREST BY RMBL ON BEHALF OF A BORROWER IS NOT TO BE DEEMED A GUARANTEE OF INTEREST PAYMENTS BY RMBL

RMBL in its personal capacity will make any such payment to Members from its own resources, and in no instance will RMBL recover any discretionary payment of interest in priority to Members.

RMBL will make a determination on or about the 29th day of each month regarding any discretionary payments of interest to be made. These payments will be subject to RMBL being able to meet all other commitments in the operation of the Scheme. Factors that will be considered by RMBL in deciding whether or not to make a discretionary payment of interest will include, but are not limited to, RMBL's cashflows, other commitments of RMBL, the size of the particular Loan, the amount of interest payable, and consideration of the timing of recovery.



Variable Interest Rate Comparison
Standard Variable Rate & RBA Cash Rate

Standard Variable Rate
RBA Cash Rate

You will not have the capacity to make representations or influence the exercise of RMBL's discretion to pay interest on behalf of the Borrower. RMBL's expertise is in the management of Loans and in dealing with Loans in default. Where a Loan remains in default, you will be kept informed throughout the period of default.

7.7 INTEREST RATES

RMBL offers a standard variable interest rate or selective variable or fixed interest rates to Members.

Rates are set having regard to a variety of factors including inter alia, the size of the Loan, the Borrower's attributes, whether the Loan contemplates a Construction or Development proposal and any other information which may influence the decision by the Credit Committee to charge a different interest rate to accurately reflect the risk associated with the Loan.

As well as Loan specific risks, the Board of Directors generally follows the variations of interest rates as determined by the Reserve Bank of Australia. The Board of Directors will have regard to such matters as economic circumstances, Government policy and any other considerations that RMBL deems relevant.

Standard Variable Interest Rate

The current standard variable interest rate at the date of this PDS is 6.85% per annum.

RMBL's standard variable interest rate is reviewed at the Board of Directors' meetings. You will be advised in writing within 7 working days of the Directors' Resolution regarding any change in the variable interest rate. If you are not satisfied with the change in the interest rate and you wish to withdraw your funds, you will be subject to the procedure set out in Section 7.20 of this PDS.

Above is a chart illustrating RMBL's standard variable interest rate and the Reserve Bank cash rate for a period of 15 years.

The current standard variable interest rate quoted in this PDS is indicative only and is not to be interpreted as a guaranteed or minimum rate of return. Where you receive a variable interest rate, your return may vary during the

term of the Sub Scheme. Past performance is not a reliable indicator of future performance.

Other Rates

RMBL also offers selective Sub Schemes with variable interest rates (other than the standard variable interest rate) or fixed interest rates where RMBL has agreed to such a rate with a Borrower at the time the Sub Scheme is arranged as described above.

7.8 LOAN TO VALUE RATIOS (LVR)

The LVR of a Sub Scheme Property shall not exceed 66.66% of a sworn valuation (unless RMBL obtains written approval of the Sub Scheme Members).

7.9 NO GUARANTEE

RMBL does not guarantee the payment of capital or interest to Members.

7.10 REINVESTMENT OF INTEREST

The Application Form accompanying this PDS provides an option for you to have your interest (whether earned from a Sub Scheme or from the Interest Bearing Trust Account) reinvested in the Scheme. Should you wish to reinvest your interest, you do not need to provide us with your nominated bank account details on the Application Form. Any interest earned will be paid into the Interest Bearing Trust Account. Once a minimum sum of \$1,000 is accumulated in the Interest Bearing Trust Account, where a Sub Scheme is available, RMBL will then forward a SPDS and Consent Form for investment in a Sub Scheme. Upon receipt of the Consent Form, this sum will be allocated to a Sub Scheme.

7.11 SECURITY

The security for a Member in a Sub Scheme is a first registered Mortgage in favour of RMBL over a legal interest in real property in Australia (known as the Sub Scheme Property) which is further described in the SPDS. RMBL will also take additional security for Sub Scheme Loans

which may consist of personal guarantees, general security agreements and any other security that is considered necessary to best secure the Loan.

See Section 15 which illustrates the proportions of different Sub Scheme Property in the Scheme as at 31 August 2017.

7.12 SECURITY DOCUMENTS

Before any Loan is advanced to a Borrower, the Borrower is required to execute security documents including, but not limited to, a Letter of Offer, a Mortgage, Loan Agreement and Deed of Guarantee (if there are Guarantors to the Loan). These documents regulate the terms and conditions of the Loan between RMBL and the Borrower. Other documents may include a General Security Agreement or Deed of Charge, Trustee Deed of Warranty and Covenant, Deed of Assignment of Income, or other security documents where deemed necessary. You may view the security documents relating to a Sub Scheme in which your funds are invested at our office.

7.13 TAXATION ASPECTS

The interest distributed to you is taxable income in Australia and must be declared as part of your assessable income in your tax return if you are a resident for tax purposes in Australia. Tax will also be deducted at the maximum personal marginal rate from interest payments to you if you have not provided us with a Tax File Number or claimed an exemption in respect of your investment.

If you are a non-resident for tax purposes, you do not need to provide us with a Tax File Number. However, where interest is paid to you as a non-resident, withholding tax is deducted from the gross income and is remitted to the Australian Taxation Office. The tax legislation of the relevant jurisdiction will be applicable to non-resident Members. We advise you to consult your accountant or other relevant professional in regard to the taxation aspects of your investments. Further relevant tax regimes where RMBL is required to collect information in particular where Members are tax residents of other jurisdictions are further explained in Section 22 of this PDS.

RMBL is required to report to the Australian Taxation Office annually providing details of interest earned, any withholding tax deducted, and tax file numbers quoted for Members of the Scheme.

Investment in the Scheme should not be subject to GST and should not give rise to any GST consequences.

7.14 TRANSFER OF YOUR INTEREST IN A SUB SCHEME

You are not entitled to dispose of your interest in a Sub Scheme except as provided in this PDS and the Scheme Constitution.

You may, in accordance with the requirements of the Corporations Act and with the consent of RMBL, assign part or the whole of your interest in a Sub Scheme.

The assignment of your interest must be in writing executed by you (as assignor) and the assignee in a form approved by RMBL accompanied by any other documentation required by RMBL and otherwise in compliance with the Corporations Act.

On giving consent to the assignment, RMBL will make the necessary amendments to the Member Register to reflect the change of ownership of the interest. The person to whom you assign your interest in a Sub Scheme will become a Member of the Scheme, and must agree to comply with all the terms and conditions of membership of the Scheme.

A person becoming entitled to an interest in a Sub Scheme on the death, bankruptcy, liquidation, dissolution or other disability of a Member may, on production to RMBL of such evidence as RMBL may reasonably require, be entered in the Member Register.

7.15 TRUST ACCOUNT AND INTEREST BEARING TRUST ACCOUNT

A Trust Account will be maintained with the Bank. The account will be held in RMBL's name as trustee for the Members.

Subject to clearance, you will not earn interest while your funds are in the Trust Account for a period of up to 10 working days from the date of receipt. If your funds are not invested into a Sub Scheme within 10 working days from the date of receipt, your funds will be deposited into an Interest Bearing Trust Account and you will then earn the applicable commercial interest rate offered by the Bank until your funds are allocated to a nominated Sub Scheme. On request, we will inform you of the applicable commercial interest rate.

You may withdraw your funds from either the Trust Account or the Interest Bearing Trust Account by providing us with 5 working days' written notice. RMBL will hold your funds in either account until they are allocated to a Sub Scheme following receipt of a Consent Form or until you request a withdrawal of the monies.

The Interest Bearing Trust Account will also be utilised for your funds where we have not yet received your Consent Form to invest your funds to a new Sub Scheme upon the partial or full repayment of a Sub Scheme by a Borrower.

7.16 VALUATION PRACTICES IN RELATION TO SUB SCHEME PROPERTY AND OTHER RELEVANT REPORTING IN RELATION TO SUB SCHEME PROPERTY

Before a Loan is provided to a Borrower, RMBL will ensure that there is an independent valuation (which must be no more than 3 months old) of the Sub Scheme Property over which RMBL will take a first registered Mortgage to ensure that at the time of making the Loan, the ratio of the Loan outstanding at that time as compared to the independent valuation (LVR) complies with the LVR as stated in Section 7.8. Where the Loan does not meet the approved LVR a Loan advance will not be made.

Where a Loan is for Construction or Development purposes, RMBL can in its discretion accept a certified Quantity Surveyor's or Engineer's report instead of a valuation report during the term of the Construction or Development.

RMBL has a panel of qualified independent valuers, Quantity Surveyors, and Engineers the composition of which is reviewed on a continual basis. These professionals

have been appointed having regard to their experience and skills in valuation practice. The availability and level of professional indemnity insurance that they maintain is also taken into consideration.

7.17 VALUATION REPORTS

RMBL accepts two valuation methods as the basis for its lending practice:

- (a) Market valuation

The valuation must clearly state that it has been undertaken to enable RMBL to lend funds by way of a first Mortgage.

OR

- (b) Cost to complete valuation

Where a Sub Scheme contemplates a Construction or Development Loan, separate values will be requested to ascertain the value of the Sub Scheme Property on an "as is" basis, on an "as if complete" basis and on a "cost to complete" basis. Depending on the scale of the Construction or Development project, additional advice will be sought from Quantity Surveyors, Engineers and other related property development advisers as deemed appropriate by RMBL.

7.18 QUANTITY SURVEYORS' OR ENGINEERS' REPORTS

Reports provided by Quantity Surveyors or Engineers to RMBL during the term of a Construction or Development Loan must contain, inter alia, the following information:

- (a) A detailed cost assessment including the original estimate provided along with any authorised variations;
- (b) A detailed assessment of the Construction or Development works completed to the date of the report;
- (c) A detailed assessment of works previously certified and any current claims to be made;
- (d) A detailed assessment of the costs to complete the project including any remaining contingency allowances and variations.

Where appropriate, a Quantity Surveyor or Engineer is utilised throughout the project to certify the value of all works and the costs to complete at regular intervals

7.19 VARIATION OR EXTENSION OF SUB SCHEME DUE DATE

Early Repayment of the Loan by the Borrower

The term of each Sub Scheme (being the term of the Loan) will be specified in the SPDS and the term of your investment in a Sub Scheme can only be altered by early full repayment or partial repayment of the Loan. Where a Borrower wishes to make such a payment, this is outside the control of RMBL. An example of where this may occur is due to the sale of a Sub Scheme Property or a re-finance of the Loan by the Borrower. Any early repayment will be subject to the terms and conditions of the Loan and the Borrower may incur a charge for this.

Upon early full repayment or partial repayment of the Loan by the Borrower, where your investment in that Sub Scheme is terminated early, RMBL will, subject to availability, provide you with an alternative Sub Scheme in which to invest. Or you may wish to withdraw your funds at this stage. Otherwise, your funds will be transferred to the Interest Bearing Trust Account pending allocation to another Sub Scheme.

Extension of the Sub Scheme Due Date

A Borrower has the option to renew a Loan by giving RMBL between one and three months' notice before the Sub Scheme Due Date (being the Due Date of the Loan). RMBL will assess the Borrower's current circumstances and servicing history before offering a further term to the Borrower. Additionally, a new valuation for the Sub Scheme Property will be obtained to ensure that the relevant LVR is maintained. If the Borrower agrees to renew the Loan for a further term, Loan extension documents will be executed by the Borrower at the Borrowers cost.

Should the Borrower indicate that they wish to renew the Loan, you will be asked if you wish to remain in the same Sub Scheme, redeem your funds or have your funds invested in a new Sub Scheme. You will receive a new SPDS and Consent Form in order to renew your investment in the same Sub Scheme, or to have your funds invested in a new Sub Scheme.

In some circumstances, where a Borrower wishes to renew a Loan, upon an updated valuation report being obtained, the value of the Sub Scheme Property may have fallen. In

such circumstances, RMBL would not be able to repay your funds until the LVR is brought within RMBL's acceptable guidelines. RMBL will either work with the Borrower to ensure that the LVR is rectified whether by way of capital repayments or with the provision of additional security. Once the LVR is within guidelines, you may seek a return of your funds.

Expiry of term of Sub Scheme

The term of your investment ends on the Sub Scheme Due Date.

Where the Loan is to be repaid by the Borrower on the Due Date, in some instances, there may be a delay between the Due Date and the return of your funds due to circumstances beyond the control of RMBL or the Borrower, such as a delay in the settlement date or a delay in refinancing by the Borrower. In all cases, interest continues to be payable until the Loan is repaid.

Upon repayment, your funds will be placed in the Trust Account and you may redeem your funds or reinvest in a new Sub Scheme. Once again, you will receive a new SPDS and Consent Form prior to allocation to a new Sub Scheme.

7.20 WITHDRAWAL OF YOUR FUNDS

While your funds are in the Trust Account or the Interest Bearing Trust Account, you may withdraw the funds at any time with 5 working days' notice in writing.

There is no cooling off period once funds are invested into a Sub Scheme and there is no right for you to withdraw at this stage. Once invested into a Sub Scheme, your funds will be available for withdrawal in the following circumstances:

1. Upon the repayment of funds by the Borrower at the expiration of the term of the Sub Scheme; or
2. On early repayment of funds by the Borrower; or
3. Prior to the expiration of the term of the Sub Scheme at the discretion of RMBL. RMBL will only consider such withdrawal if and when there is available a replacement Member to take your place in the Sub Scheme, and the replacement Member completes all documentation required by RMBL.

You are NOT able to withdraw your funds from a Sub Scheme where the Loan is in default. You may only withdraw your funds subject to the above, once the default has been rectified.

8. Fees And Other Costs

8.1 CONSUMER ADVISORY WARNING

Below is a mandatory ASIC consumer advisory warning:

Did You Know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

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

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

To Find Out More

If you would like to find out more, or see the impact of the fees based on your own circumstances, the ASIC website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

NO FEES OR COSTS ARE CHARGED BY RMBL TO MEMBERS IN THE SCHEME.

8.2 FEE DISCLOSURE TABLE

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

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

Type of Fee or Cost	Amount	How & When Paid
Fees when your money moves in or out of the Scheme (managed investment product).	Nil	
<i>Establishment Fee</i> The fee to open your investment.	Nil	
<i>Contribution Fee</i> The fee on each amount contributed to your investment.	Nil	
<i>Withdrawal Fee</i> The fee on each amount you take out of your investment.	Nil	
<i>Termination Fee</i> The fee to close your investment.	Nil	
<i>Management Costs</i> The fees and costs for managing your investment.	Up to 4.5% of the Loan amount per annum	These fees and costs are paid by the Borrower directly to RMBL at the commencement of the Loan and during the term of the Loan
Service Fees	Nil	
<i>Investment Switching Fee</i> The fee for changing investment options.	Nil	

8.3 EXAMPLE OF ANNUAL FEES AND COSTS FOR A TYPICAL SCHEME INVESTMENT OPTION

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

EXAMPLE - typical investment option		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged Nil
PLUS Management Costs	Up to 4.5%	And, for every \$50,000 you have in the Scheme, up to \$2,250 will be charged each year*
EQUALS Cost of investment	Nil	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of up to: \$2,475* What it costs you will depend on the investment option you choose and the fees you negotiate.

*Please read the Additional Explanation of Fees and Costs below for further information relating to this table.

Establishment fee - Nil

And, if you leave the Scheme early, you may also be charged **exit fees** of Nil.

8.4 ADDITIONAL EXPLANATION OF FEES AND COSTS

Management Costs

Each specific Sub Scheme SPDS will clearly indicate the interest rate payable for the relevant Sub Scheme Loan and no deductions are made from interest payable to Members.

The Scheme has an agreement with RMBL acting in its personal capacity in regard to fees payable by Borrowers. Under this arrangement, a procuration fee is payable by Borrowers to RMBL, which RMBL is entitled to retain for its own use. The procuration fee is calculated as up to 2.5% of the total advances made to the Borrower from commencement of the Loan. This fee is paid to RMBL at the time an advance is drawn down or where an extension of the Loan occurs.

RMBL charges no fees and recovers no costs from Members of the Scheme in its capacity as responsible entity of the Scheme, and the payment of the procuration fee by the Borrowers does not reduce the rate of return that Members receive on their funds invested.

In addition to the procuration fee, under the arrangement between the Scheme and RMBL, RMBL is entitled to charge Borrowers the following operational and transactional costs associated with the formation and management of the Loans:

- (a) fees of up to 2% of the Loan amount for the preparation of security documents and for work undertaken in managing the Loans which is not otherwise undertaken by a third party service provider as described below. This fee is paid at the time an Advance is drawn down during the term of the Loan or where an extension of the Loan occurs;
- (b) collection charges of up to 25% of the total interest payable by the Borrower when interest is paid;
- (c) any other costs that may be recoverable from the Borrower such as early repayment fees, discharge fees, or enforcement costs.

As these costs are paid directly by the Borrowers to RMBL in its personal capacity, they do not reduce the rate of return that Members receive on their funds invested.

The indirect costs ratio (ICR) for the Scheme is the ratio of the total management costs to the fund's total average net assets. The ICR for the year ended 30 June 2017 was

1.46%. However, this figure may not be a reliable indicator of the management costs that will apply to a particular Sub Scheme as there are a number of factors that determine the costs that may be charged to a particular Borrower in relation to the Sub Scheme.

In the event that the fees charged to a Borrower in relation to a particular Sub Scheme differ from those above, or where additional fees are charged to the Borrower, the fees will be disclosed in the SPDS for the particular Sub Scheme.

Other Referral Source Payments

RMBL also receives funds referred by representatives acting under the terms of their own AFS Licence. No commission is deducted from your funds or from interest earned by you. Any payment made to other referral sources is made by RMBL.

Third Party Payments

Third party payments are made by RMBL to service providers, mortgage brokers and the authorised representatives of RMBL. The service providers include inter alia RMBL's panel solicitors, panel valuers, auditors, quantity surveyors, engineers, other related property development advisers and the authorised representatives (to the extent permitted by law) who are registered with ASIC.

The legal fees paid to panel solicitors for the preparation of security documents are at the rates advised by the Practitioners Remuneration Order of the relevant jurisdiction where applicable. Other legal fees that may be payable to panel solicitors relate to discharges, consents and other requirements during the administration of the Scheme. Where applicable, GST is payable on all fees.

Authorised Representative Payments

No commission is deducted from your funds or from interest earned by you. Any payment made to an Authorised Representative is made by RMBL.

In the event that an Authorised Representative obtains funds from a Member for investment in RMBL and a commission is paid to the Authorised Representative by RMBL, Financial Services Guide must be executed by the Member as acknowledgment that the Member has been informed of this commission. A copy of the Financial Services Guide must be forwarded to RMBL as evidence of this disclosure.

Taxation

Refer to Sections 7.13 and 22 regarding the taxation aspects

9. Key Benefits Of Investment In The Scheme

The key benefits of investment in the Scheme can be described as follows:

Experienced Manager

With over 56 years' experience in Mortgage lending and investment, your funds are managed by professionals with extensive expertise in this area.

Assessment Process

RMBL assesses each Borrower and each Loan to ensure that the Loan is suitable to be included in the Scheme.

Competitive Rate of Return

You will receive a competitive rate of return on a regular basis (usually monthly). You may elect to reinvest your interest if you wish.

Not a Pooled Fund

As the Scheme is not a "pooled fund", you have the opportunity to choose the Sub Scheme in which you invest allowing you to exercise control in your investment decision. You may become accustomed to particular types of Sub Scheme Property or Loans or you may wish to spread your funds across a number of Sub Schemes.

Manageable Investment sums

You may invest in the Scheme with a minimum investment amount of \$10,000 and in multiples of \$1,000 thereafter.

10. Key Risks Of Investment In The Scheme

RMBL does not guarantee your funds or the interest payment by the Borrower.

To appreciate the risks associated with an investment in the Scheme and a Sub Scheme, this PDS and the SPDS must be read in conjunction with each other.

10.1 RISK MANAGEMENT

In managing risk to Members, RMBL has the following procedures in place:

1. Borrower assessment and Loan approval process;
2. independent and qualified Panel of Valuers, Quantity Surveyors and Engineers;
3. dedicated management of Loans;
4. a registered Scheme Constitution and Compliance Plan;
5. operation of the Compliance Committee and Senior Compliance Officer;
6. Compliance Plan auditor in place;
7. six-monthly Scheme and Responsible Entity audit.

10.2 NOT A POOLED FUND

The only assets available to Members of a Sub Scheme for payment of the interest and repayment of the Loan are the Sub Scheme Property. You do not have access to any other assets of any other Sub Scheme. **The decision whether to invest in a Sub Scheme is yours and by completing the Consent Form you select where your funds are invested.**

Please note that your level of risk is NOT reduced by it being averaged with all other Sub Schemes. There is NO pooling of funds as between Sub Schemes from which any shortfall on your Sub Scheme can be drawn.

10.3 CAPITAL RISK

Your investment in the Scheme is not capital guaranteed, and therefore during the term of the investment, factors outside the control of RMBL may affect property values, such as property market conditions, government policies, inflation and the general economic climate. Your capital may be at risk where RMBL must enforce the security in a defaulting situation and the sale of a property fails to realise sufficient funds to meet the Loan balance. Capital risk is mitigated by RMBL's conservative lending ratios, obtaining valuations at appropriate intervals, diligent management of the Loan book and RMBL's compliance measures.

10.4 INCOME RISK

RMBL does not guarantee your interest payments. Your investment in a Sub Scheme is dependent upon the ability of the particular Borrower in your Sub Scheme to pay the interest payments when due, and to repay the Loan on

the Due Date. Members should be aware that no interest is payable if no corresponding payment is received by RMBL from the Borrower. The non-payment of interest to the Member will continue until the Borrower rectifies the default or the Sub Scheme Property is discharged either by way of sale or refinance by the Borrower or the Sub Scheme Property is sold by RMBL as mortgagee.

Interest is distributed to you by electronic transfer to your nominated bank account or as otherwise directed, following receipt of the interest payment from the Borrower (as set out in Section 7.6).

10.5 MARKET RISK

Investment in the Scheme is subject to the risk that downward shifts in the property market may impact on the capacity to recover the amount owing under a Loan if default occurs. To mitigate this risk:

- RMBL maintains conservative LVRs;
- Sub Scheme Property is valued at appropriate intervals to ensure that the LVRs are maintained;
- The Loan Book is managed by experienced professionals;
- RMBL stays informed of changes in the property market on a daily basis.

10.6 ECONOMIC RISK

All investments, including property-related securities, are sometimes subject to unforeseen shifts arising from variations in the economic climate in and outside Australia at a particular period of time. This could adversely affect your investment in the event of a forced sale of a Sub Scheme Property.

10.7 POLICY & LEGISLATIVE RISK

Changes in government policies, regulations and taxation laws may have a negative impact on any investment product. These are factors that are outside the control of RMBL.

10.8 SPECIAL RISKS RELATING TO CONSTRUCTION OR DEVELOPMENT LOANS

In Construction or Development Loans, there could be risks due to the timing, completion and sale of the project.

Construction or Development Loans include a degree of additional risk where the Borrower is unable to complete the works as required. A partially completed Sub Scheme Property would be more difficult to sell if RMBL is required to do so due to a default by the Borrower.

Further, during the Construction or Development process, downward shifts in the property market can affect the ability to recover the amount owing under the Loan at the completion of the project.

The additional risks that attach to Construction or Development Loans are mitigated as follows:

- The Sub Scheme Property is valued as set out in Section 7.16 and 7.17, and where appropriate, a Quantity Survey or or Engineer is utilised throughout the project to certify the value of all works and the costs to complete at regular intervals as set out in Section 7.18;
- RMBL lends funds for Construction or Development purposes where an appropriate Contract is in place with the builder/contractor (if considered appropriate) to ensure that the agreed cost of the project is not exceeded. However, RMBL will on occasion lend to owner-builders, who are primarily Borrowers well known to and approved by RMBL;
- RMBL always ensures that the amount remaining un-drawn on the Loan is equal to or more than the cost to complete as certified by the Valuer, Quantity Survey or and/or Engineer;
- RMBL monitors such Loans continually and only provides progress drawdowns upon receipt of updated valuations, Quantity Surveyors' reports and/or Engineer's reports;
- RMBL maintains conservative LVRs;
- Where applicable, RMBL will agree with the Borrower on a certain level of pre-sales before the Loan is approved if considered appropriate.

10.9 RISKS RELATING TO OTHER TYPES OF SUB SCHEME PROPERTY

Vacant Land and Non-income earning Properties

There are special risks associated with Vacant Land and other non-income earning properties. Where a default occurs by the Borrower, RMBL cannot rely on any rental payments or other income in order to assist in rectifying the default. The risks associated with such properties are mitigated by RMBL's conservative LVRs.

Other types of Sub Scheme Property

There are other types of Sub Scheme Property that may attract a greater degree of risk in a default situation where the market for such properties may fluctuate or where the demand for such properties is lower than other types of property. Such properties may include rural properties, apartments or other specialised properties. These risks are managed through RMBL's conservative LVRs, taking additional or collateral security where appropriate, and obtaining valuation reports from panel valuers to ensure all relevant considerations have been addressed. Section 15 shows the diversification of the Scheme as at 31 August 2017. RMBL monitors the profile of the properties within the Scheme on a regular basis through its lending guidelines.

11. Defaults

As at the date of this PDS, there are 191 Loans in the Scheme. Loans representing 2.8% of the value of the Scheme and 2.1% of the total number of Loans in the Scheme are currently in default due to the non-payment of interest.

RMBL is satisfied that at the date of this PDS none of the Loans in default are expected to result in a loss of capital for Members.

RMBL discloses all defaults in its monthly reports circulated to the Board of Directors of RMBL and the Compliance Committee.

Where an interest payment is not made by a Borrower within the 14-day period for payment, a Notice of Default is issued to the Borrower giving the Borrower the relevant period to rectify the default depending on the jurisdiction of the Security Property. You will initially be informed of the default within 7 working days following the issuing of a Notice of Default to a Borrower by RMBL. There are some types of Security Property where other legislative provisions may apply and the default procedures available to RMBL could differ such as the Farm Debt Mediation Act and the National Consumer Credit Protection Act.

Communication regarding the default will continue until the default is rectified or resolved either by the Borrower or by the sale of the Sub Scheme Property. While a Loan is in default, you will not receive interest (unless RMBL in its absolute discretion has elected to pay interest to you on behalf of the Borrower). Further you will not be able to withdraw your funds from the Sub Scheme until the default is rectified and in accordance with Section 7.20.

If the default is not rectified, RMBL will take such action as it deems appropriate to protect the interests of the Members. This will usually involve initiating enforcement proceedings, which will result in the Sub Scheme Property being placed on the market for sale either with the consent of the Borrower, or by RMBL taking possession as mortgagee. Upon the advice of agents, the Sub Scheme Property will be sold either by way of auction or privately on terms and conditions as recommended. In no instance will RMBL recover funds from the sale of a Sub Scheme Property in priority to Members.

If for any reason whatsoever there are insufficient sales proceeds for the repayment of your funds in full, then the funds will be distributed on a pro-rata basis to each Member in the Sub Scheme. Subsequently, in consultation with Members, RMBL may bring legal action against the Borrower and/or Guarantors to recover the shortfall.

12. Annual Reports

The Annual Reports of RMBL (being the Responsible Entity) and RMBL Mortgage Income Investments (being the Scheme) lodged with ASIC for the relevant financial period, any half-year financial reports lodged with ASIC for RMBL or the Scheme and any continuous disclosure notices are available on request by a Member from RMBL's office.

The Auditors of the Scheme are RSM Australia Pty Ltd of Level 21, 55 Collins Street MELBOURNE VIC 3000. RSM Australia Pty Ltd has not authorised or caused the issue of this PDS and has not been involved in its preparation.

13. RMBL Website

Up to date information regarding RMBL and the Scheme is maintained on the RMBL website rmb.com.au.

Once you have become a Member of the RMBL Scheme, you will be able to access the Members Area of the RMBL website, where you will be able to download relevant forms relating to your investment (including requests to amend your personal and/or banking details, redemption forms and Application Forms) and receive updated information about RMBL and the Scheme, including newsletters. Changes to information in this PDS that are not materially adverse to Members may be made by RMBL by uploading the relevant information onto the website.

Alternatively, you can contact RMBL by telephone to receive any updated information or to request a copy of the relevant forms to manage your investment at no charge.

14. Key Requirements Of RMBL's AFS Licence

RMBL is required under its AFS Licence to hold minimum net tangible assets of 0.5% of the Scheme assets. The net tangible assets of RMBL are disclosed in RMBL's Annual Reports and the level of net tangible assets is monitored on a monthly basis.

Other financial requirements of RMBL's AFS Licence include the maintenance of a minimum level of surplus liquid funds to meet any contingent liabilities and the preparation of projected cashflows.

RMBL monitors its financial requirements on a monthly basis.

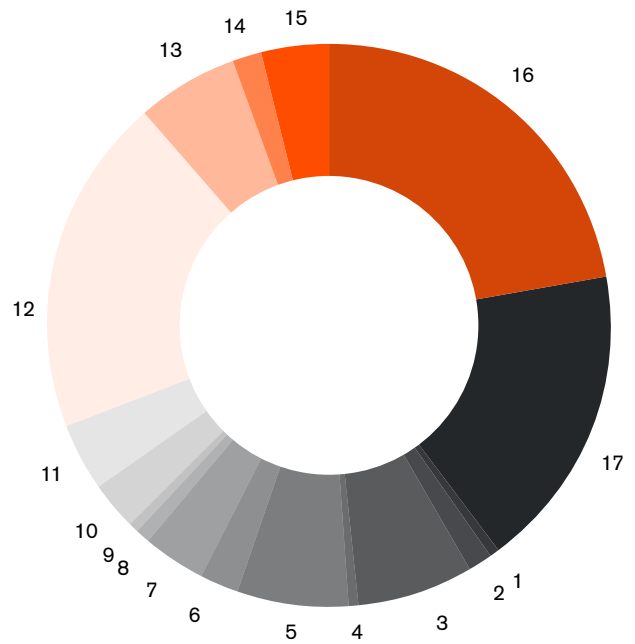
RMBL must maintain adequate professional indemnity compensation arrangements at all times in accordance with its Licence. To meet these requirements, RMBL has in place a primary comprehensive insurance policy for \$10 million which covers professional indemnity, directors and officers' liability and crime plus excess layer cover of a further \$5 million.

Further, RMBL requires adequate professional indemnity policies to be in place for all of its external service providers (such as Valuers, Quantity Surveyors, Engineers, Solicitors etc.) before they can be officially appointed to RMBL's Panel.

15. Sub Scheme Property Diversification

IMPORTANT NOTE:

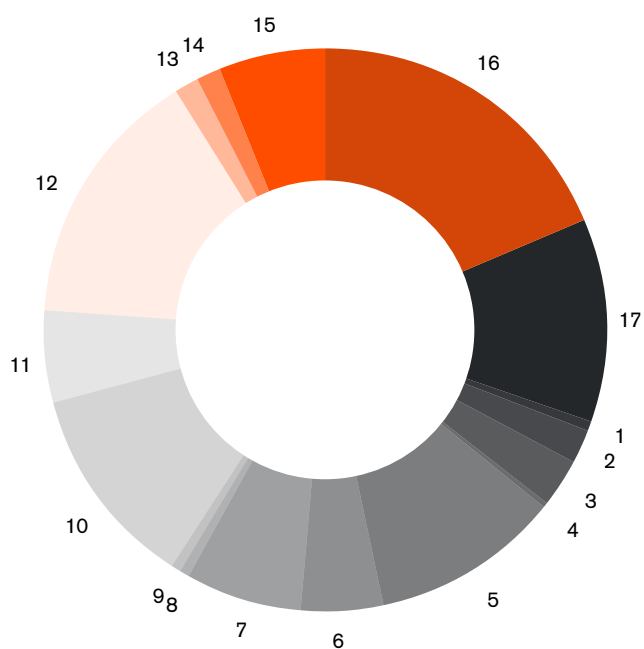
The following information reflects the Scheme at the date of this PDS and is subject to change. This information in no way guarantees the performance or the security portfolio of the Scheme, nor warrants that the Scheme will maintain these levels.



Diagrams illustrating Sub Scheme Property diversification

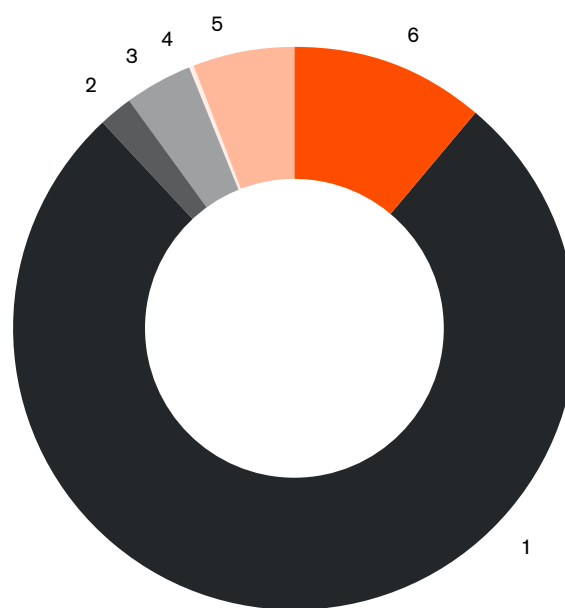
Property Categories as a Proportion of Total Scheme Value as at 31 August 2017

1. 0.09% Apartments CBD	10. 3.11% Residential
2. 1.2% Apartments Non CBD	11. 3.65% Residential Construction
3. 6.84% Apartments Construction Non CBD	12. 19.89% Residential Subdivision
4. 0.02% Rural - Commercial	13. 5.91% Vacant Land - Industrial
5. 6.34% Rural Improved	14. 1.25% Vacant Land - Commercial
6. 2.26% Commercial/Retail	15. 3.94% Vacant Land - Rural
7. 3.35% Industrial	16. 23.36% Vacant Land - Residential
8. 0.98% Industrial Subdivision	17. 17.78% Vacant Land - Urban Growth Boundary
9. 0.03% Industrial Construction	



Property Categories as a Proportion of Total Number of Loan as at 31 August 2017

- | | |
|------------------------------------------|------------------------------------------------|
| 1. 0.53% Apartments CBD | 10. 11.64% Residential |
| 2. 2.12% Apartments Non CBD | 11. 5.29% Residential Construction |
| 3. 2.65% Apartments Construction Non CBD | 12. 14.81% Residential Subdivision |
| 4. 0.53% Rural - Commercial | 13. 1.59% Vacant Land - Industrial |
| 5. 10.58% Rural Improved | 14. 1.59% Vacant Land - Commercial |
| 6. 4.76% Commercial/Retail | 15. 5.82% Vacant Land - Rural |
| 7. 6.88% Industrial | 16. 18.52% Vacant Land - Residential |
| 8. 0.53% Industrial Subdivision | 17. 11.63% Vacant Land - Urban Growth Boundary |
| 9. 0.53% Industrial Construction | |



Location of Sub Scheme Property in the Scheme as at 31 August 2017

- | |
|-----------------------------|
| 1. 77.01% Victoria |
| 2. 1.93% New South Wales |
| 3. 3.80% Queensland |
| 4. 0.17% Tasmania |
| 5. 5.77% South Australia |
| 6. 11.32% Western Australia |

16. Scheme Documents

16.1 THE SCHEME CONSTITUTION

The Scheme Constitution and the Corporations Act largely govern the rights and entitlements of a Member of the Scheme and are binding upon the Members and RMBL. The Scheme Constitution is a legal agreement between RMBL and the Members (from time to time) of the Scheme. A copy of the Scheme Constitution (including any amendments) is available on request from RMBL.

The Scheme Constitution amounts to a declaration of trust for the benefit of the Members by RMBL in relation to all Members' funds (and any other Scheme Property) RMBL holds on a Member's behalf. The following is a non-exhaustive list of the matters described in the Scheme Constitution:

- (a) the consideration required to be provided by a Member to acquire an interest in the Scheme;
- (b) a summary of the Scheme activities;
- (c) operation of a Sub Scheme;
- (d) powers of RMBL to deal with Scheme Property;
- (e) the complaints handling provisions available to Members of the Scheme;
- (f) provisions dealing with the winding-up of the Scheme; and
- (g) the rights of RMBL to be indemnified from the Scheme Property.

16.2 THE COMPLIANCE PLAN

The Compliance Plan describes the measures RMBL applies in operating the Scheme to ensure compliance with the Corporations Act, the AFS Licence and the Scheme Constitution, including arrangements for:

- (a) ensuring all Scheme Property is clearly identified as Scheme Property and held separately from the security held by RMBL;
- (b) administration and operation of the Compliance Committee;
- (c) functions of the Senior Compliance Officer;
- (d) ensuring the Scheme Property is valued at regular intervals and continual review of selected valuers and valuation processes;
- (e) ensuring that the Compliance Plan is audited pursuant to the Corporations Act;
- (f) ensuring that adequate records of the Scheme's operations are kept;
- (g) staff familiarity and continuous training in relation to the Compliance Plan;
- (h) complaints and dispute resolution procedures.
- (i) any other matters required pursuant to the Corporations Act.

As required by the Corporations Act, RMBL has engaged Auditors to audit compliance by RMBL with the Compliance Plan in accordance with the Corporations Act.

17. Investment And Borrowing Powers Of RMBL

RMBL has all the powers of a natural person to invest, borrow and enforce all rights of the Scheme Property in respect of the Scheme and other security provided by the Borrower in respect of the Sub Scheme, that it is possible under the Corporations Act to confer upon RMBL as though it were the absolute owner of the Scheme Property, acting in its personal capacity or as is necessary for fulfilling its obligations under the Scheme Constitution and under the Corporations Act.

18. Authorised Representatives Of RMBL

RMBL has appointed selected authorised representatives to represent RMBL in the operation of the Scheme. RMBL has notified ASIC of these authorised representatives in accordance with the Corporations Act and ASIC maintains a register of these representatives. RMBL's authorised representatives are only authorised to provide the financial services listed on RMBL's AFS Licence and they are not permitted to provide financial product advice. Before you invest in the Scheme, you must be provided with a copy of this PDS. We encourage Members to seek advice from relevant professionals regarding their investments.

19. Member Nominated Representatives

Members of the Scheme may wish to appoint their own nominated representatives to deal with their affairs as an agent. These may be accountants, financial planners or other such professionals. If you wish to appoint such an agent, you should complete the relevant authority in the Application Form, which accompanies this PDS, and your nominated representative must also sign the authority. If your nominated representative is a corporation or partnership, a duly authorised officer or partner must sign the authority.

Once you have appointed authorised nominated representative, this person will have the same powers as you to deal with your investment in the Scheme on your behalf. If your nominated representative is a corporation or partnership, RMBL may act on the instructions of any person it reasonably believes to be an authorised officer or partner of the corporation or partnership.

You may at any time notify us in writing if you wish to revoke the appointment of your Member nominated representative. Only upon receipt of your notification will the revocation be effective.

20. Labour Standards And Environmental, Social Or Ethical Considerations

RMBL does not take into account labour standards for the purpose of selecting, retaining or realising Members' investments in Sub Schemes.

When relevant, RMBL will take into account environmental, social or ethical considerations for the purpose of selecting, retaining or realising Members' investments in Sub Schemes. However, RMBL does not have any pre-determined views or policies in relation to taking these matters into account, and RMBL will only take these matters into account if RMBL believes these matters will financially affect a Member's investment in a Sub Scheme.

ASIC may develop guidelines in relation to these considerations and RMBL will take these into account in relation to the operation of the Scheme and investment in Sub Schemes.

21. Privacy Act Disclosure

RMBL collects and updates personal information from Members in compliance with the Privacy Act. Upon investment in the Scheme, Members will receive a copy of RMBL's Privacy Statement which sets out RMBL's policy on the type of information that can be collected, the use and disclosure of personal information, storage and security of personal information and access and correction of personal information. This can also be found on RMBL's website.

Members are able to contact RMBL to gain access to personal information held about themselves.

22. Other Relevant Legislation

22.1 GLOBAL AUTOMATIC EXCHANGE OF INFORMATION (AEOD)

The AEOD regime requires financial institutions to exchange financial account information between relevant tax jurisdictions and is intended to reduce the possibility of tax evasion. This requires RMBL to therefore collect tax residency information from its Members.

There are two relevant frameworks in place where RMBL is required to collect and report information:

The Foreign Account Tax Compliance Act (FATCA)

FATCA is in place between Australia and the United States whereby US citizens and tax residents with accounts in Australia must be identified. As such RMBL may be required to collect certain information from you, report payments made in relation to your investment in the Scheme and retain information to meet record keeping requirements

Common Reporting Standards (CRS)

CRS is a global standard for collecting, reporting and exchanging financial information on foreign tax residents, which was initiated by the Organisation for Economic Cooperation and Development (OECD) to provide greater transparency and reduce offshore tax evasion in the participating jurisdictions.

RMBL is required to collect financial account information from its Members who are resident in countries other than Australia for tax purposes and provide financial information to the Australian Tax Office (ATO) where it will be exchanged with other participating jurisdictions.

22.2 ANTI-MONEY LAUNDERING LAWS

The Anti-Money Laundering and Counter Terrorism Financing Act (AML/CTF) requires RMBL to adopt and maintain an AML/CTF compliance program. RMBL must collect identification information and documentation (Know Your Client (KYC) documents) from all new Members. Under the AML/CTF laws, RMBL is required to submit regulatory reports to the Australian Transaction Reports and Analysis Centre (AUSTRAC). This may include disclosure of your personal information. There are other specific requirements where information is collected in the Investment Application Form, including whether you are a Politically Exposed Person, your source of investable wealth and the beneficial ownership structure of any trusts or companies.

23. Summary

RMBL is experienced in contributory Mortgage fund investment. Its qualified team has a depth of knowledge that has allowed it to operate successfully for over 56 years.

All investments in property involve varying degrees of risk and are influenced by multiple factors, many of which are beyond the control of RMBL. As in all investments, the underlying assets of a Sub Scheme will be subject to unforeseen shifts arising from variations in the economic climate at a particular period of time. You should consult your business adviser, financial planner, accountant or such other expert as you may deem fit to ensure that your investment is in compliance with your needs and meets with your investment criteria.

It is important to note that should you have any queries, uncertainty or lack of understanding in relation to any matter contained in this PDS, the SPDS, the Scheme or a Sub Scheme you should seek clarification from your own legal, property, valuation, financial or accounting advisers.

24. Complaints And External Dispute Resolution

Complaints should be directed to the Managing Director at:

RMBL Investments Limited
Level 5, 225 Lonsdale Street
DANDENONG VIC 3175

Phone: 03 9213 5700

PO Box 93 DANDENONG VIC 3175

RMBL has established a Complaints procedure which is explained further in the Compliance Plan and Scheme Constitution. If a response to a complaint is not considered to be satisfactory, assistance can be sought from the Financial Ombudsman Service Australia ("FOS") of which RMBL is a member (Membership Number 10836). This service has been established as an objective party to help resolve complaints.

Details to access this service are available at the office of RMBL or contact FOS direct at GPO Box 3, Melbourne VIC 3001 or on 1300 780 808.

25. Key Terms Used

Application Form

The investment application form accompanying this PDS which you must complete in order to become a Member of the Scheme.

AFS Licence

The Australian Financial Services Licence (Number 223246) issued to RMBL authorising operation of the Scheme.

ASIC

The Australian Securities and Investments Commission.

Bank

The Westpac Banking Corporation or another major bank of Australia if appropriate.

Borrower

The legal entity obtaining funds by way of a Loan from RMBL.

Compliance Committee

The Committee of which there are a majority of external members appointed to monitor RMBL's compliance with the Scheme Compliance Plan.

Consent Form

The Consent Form attached to the SPDS, which RMBL must receive from you in order to allocate your funds to a Sub Scheme.

Construction or Development Loan

A Loan to a Borrower for the purpose of property construction or development where the funds are provided in staged draw downs, each draw down (known as an Instalment) corresponding with a completed stage of the property construction or development project and each Instalment comprising a separate advance of funds to the Borrower. All Instalments are secured over the same Sub Scheme Property pursuant to the Mortgage.

Due Date

The expiry date of a Sub Scheme being the due date of the Loan the Sub Scheme relates to.

Interest Bearing Trust Account

The Interest Bearing Trust Account where your funds will be placed if necessary, before being allocated to a Sub Scheme upon receipt of your consent. This is further described in Section 7.15.

Loan

The sum of money that is borrowed from RMBL whether as one advance or numerous advances (and being the subject of the Sub Scheme) with the expectation that it will be paid back within a fixed term with interest.

LVR

The Loan to Value ratio applicable to a Sub Scheme.

Member

An investor in the Scheme.

Member Register

The register of Members maintained by RMBL recording the interests of Members in each Sub Scheme.

Mortgage

The primary security granted by the Borrower to RMBL on entering into a Loan.

Non Construction or Development Loan

A loan where the funds advanced to the Borrower are not used for the purpose of property construction or development.

Product Disclosure Statement (PDS)

This Product Disclosure Statement together with the SPDS and any updates.

Renewal

The renewal of a Sub Scheme for a further term upon terms and conditions agreed to between RMBL and the Borrower.

Responsible Entity or RMBL

RMBL Investments Limited ACN 004 493 789 as the Responsible Entity of the Scheme, or where relevant RMBL in its personal capacity.

Scheme

RMBL Mortgage Income Investments ARSN 091 248 289.

Sub Scheme

The Loan in which your funds will be invested following receipt of your consent and which is further detailed in the SPDS. The term "Loan" may be used where the context permits.

Sub Scheme Property

The property over which a Mortgage is taken to which the Sub Scheme relates.

Supplementary Product Disclosure Statement (SPDS)

The document that must be read in conjunction with this PDS and which provides details of a Sub Scheme. If you choose to invest your funds in the Sub Scheme you must follow the procedure as set out in Section 6.

Trust Account

The Trust Account where your funds will be held for a maximum period of 10 working days from the date of receipt (and subject to clearance) before either being deposited into the Interest Bearing Trust Account or being allocated to a Sub Scheme upon receipt of your consent. This is further described in Section 7.15

26. Completion Of Investment Application Form

The Application Form accompanies this PDS and must be completed in order to become a Member of the Scheme.

A guide is provided to assist you with the form.

**RMBL MORTGAGE
INCOME INVESTMENTS**
Product Disclosure Statement
20 September 2017

**RMBL Mortgage
Income Investments**
ARSN 091 248 289

Level 5, 225 Lonsdale Street
Dandenong VIC 3175

PO Box 93, Dandenong VIC 3175

**RMBL Investments Limited
(Responsible Entity)**
ACN 004 493 789
AFS Licence Number 223246

Level 5, 225 Lonsdale Street
Dandenong VIC 3175

PO Box 93, Dandenong VIC 3175

Corporate Directory

Responsible Entity RMBL Investments Limited (RMBL)

ACN 004 493 789

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Dandenong VIC 3175

PO Box 93, Dandenong VIC 3175

Telephone 03 9213 5700
Fax 1300 886 662
Email team@rmb.com.au

rmb.com.au

The Scheme RMBL Mortgage Income Investments (the Scheme)

ARSN 091 248 289

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External Complaints Resolution Body FOS Australia

ABN 67 131 124 448

GPO Box 3
Melbourne VIC 3001

Telephone 1300 780 808