

**Lowell Capital Limited – HVT Land
Scheme**
(ARSN 154 154 033)

Product Disclosure Statement

Responsible entity:

Lowell Capital Limited (**Lowell**)
(ABN 60 006 844 588)
AFSL 241175

Important Notices

This document

This Product Disclosure Statement (**PDS**) is dated 29 May 2012 and relates to an offer to acquire interests in the Lowell Capital Limited – HVT Land Scheme ARSN 154 154 033 (**Fund**).

Responsible entity and issuer of this PDS

Lowell as the responsible entity of the Fund has prepared this PDS based on information within its knowledge or provided by its advisers. Lowell is the issuer of the Units offered in this PDS.

Assumptions and risk factors

In considering the prospects for the Fund, potential investors should consider the risk factors detailed in Section 6 of this PDS. You should carefully consider these factors in light of your personal investment objectives, financial situation or particular needs (including financial and taxation issues) and seek professional advice from your licensed financial advisor and taxation advisor before deciding whether to acquire or dispose of units in the Fund.

Forecast Financial Information

The forecast budget and contribution payment for FY2013 contained in this PDS is derived from the information available to Lowell and is based upon the assumptions set out in Sections 1 and 3. Forecasts are, by their very nature, subject to uncertainties and unexpected events, many of which are outside the control of Lowell. Actual contribution payments may differ materially from forecast contribution payments. There is no guarantee financial forecasts in the first annual budget will be achieved. Please see Section 6 (Significant Risks) for further information.

Electronic PDS

This PDS may be viewed online at www.lowellcapital.com.au. The website and its contents do not form part of this PDS and are not to be interpreted as part of, nor incorporated into, this PDS. Persons who receive the electronic version of this PDS should ensure that they download and read the entire PDS. The Offer constituted by this PDS is only available to persons within Australia.

General advice only

Any opinions expressed in this PDS are general in nature and do not take into account your personal circumstances, objectives or needs. Accordingly nothing in this PDS should be construed as a recommendation by Lowell that an investment in units in the Fund is appropriate for you. You should seek advice from your professional and

appropriately licensed (financial and tax) adviser before making any decisions in relation to this product.

Glossary

Certain capitalised words and expressions used in this PDS are defined in the Glossary at Section 11.

Updated information

Information in this PDS is subject to change. Any updated information which is not materially adverse will be posted on Lowell's website. You can obtain it from www.lowellcapital.com.au, or by calling Lowell (via the Manager) on 08 8724 2400.

A paper copy of the updated information will be provided free of charge on request.

Questions

Questions relating to the Offer can be directed to Lowell (via the Manager) on 08 8724 2400. Alternatively, you should contact your licensed financial advisor.

Disclaimer

Your investment in Units is not an investment in, or a deposit with or other liability of Lowell Capital Limited, or any other member of the Lowell group and is subject to investment and other risks, including possible delay in repayment and loss of income and capital invested. An investment in the Fund is different to an investment in the HVT Projects. None of Lowell, the Manager, nor the Custodian nor any of their respective directors, officers or associates gives any guarantee or assurance as to the performance of the Fund or the underlying assets in the Fund or the repayment of capital from the Fund or any particular rate of capital or income return from the Fund. Entities related to the Lowell may invest in, lend to or provide other services to the Trust. Unit Holders should note the disclosure of the involvement of certain entities affiliated with Lowell set out in Section 10.2.

Past performance of investment in property assets is no indication of future performance.

The Custodian and the Manager have not authorised or caused the issue of this PDS. The Custodian and the Manager make no representations as to the truth or accuracy of the contents of this PDS other than references to its name. The Custodian and the Manager do not make any representation regarding, or accept any responsibility for, any statements or omissions in or from any other parts of this PDS.

Corporate Directory

Directors

Michael Ramsden (Chairman)
Oliver Carton
Don Carroll

Company Secretary

Lisa Ratcliff

Registered Office

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AFS Licence No. 241175
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Email: hvtgrowers@realmanagementservices.com.au
Website: www.lowellcapital.com.au

Manager

Real Management Services Pty Ltd
(ACN) 121 786 712
PO Box 1621
Mount Gambier, SA 5290

Auditor to the Fund

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Level 12, 31 Queen Street
Melbourne, VIC 3000

Custodian

The Trust Company (Australia) Limited
(ACN) 000 000 993
AFS Licence No. 235145
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Sydney NSW 2000

Registry

Real Management Services Pty Ltd
(ACN) 121 786 712
PO Box 1621
Mount Gambier, SA 5290
Email: hvtland@realmanagementservices.com.au

Summary of the Offer

This section provides the basic terms of the Offer and a summary of the key feature of the Fund, including annual fees and ongoing contributions payable by a Unit Holder. To fully understand these matters, you should read the whole PDS and consult your professional adviser before deciding whether to apply for units in the Fund.

Offer Opens	29 May 2012
Closing Date	26 June 2012
Unit Price	\$375
Minimum Investment	\$375
Allotment Date	29 June 2012
Despatch of unit certificates	15 July 2012

* The above dates are indicative only and subject to change without notice.

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1. Key Features of the Offer

1.1. About the Fund

Lowell has established the Fund to acquire land on which the plantations in the Great Southern 2007 High Value Timber Project (ARSN 123 528 950) and Great Southern 2008 High Value Timber Project (ARSN 123 529 233) (**HVT Projects**) are situated. The land is currently owned by Great Southern HVT Holdings Pty Ltd (In Liquidation) (**GSHVTPL**).

Lowell negotiated the Land Transaction to purchase the Properties at a very substantial discount to the unencumbered market valuation. With Growers' approval, Lowell established the Fund to own and manage the Properties.

Members of the HVT Projects are now offered a preferential opportunity to subscribe for interests in the Fund and enjoy the benefits of ownership of the land which contains their Woodlots and to share the potential capital gains which should flow from the purchase of the land at a heavily discounted acquisition cost.

Units in the Fund are offered to Growers at \$375 per unit, a discount to unencumbered market value of up to 70% based on a Directors valuation of \$1280 per unit based on the estimated capital raising of \$2,500,000 (refer to section 2.2).

Lowell and its Associated Entities will not participate in the offer.

1.2. Background to the Offer

Lowell was appointed responsible entity of the HVT Projects in June 2010, replacing Great Southern Managers Australia Limited (Receivers and Managers appointed) (in liquidation) (**GSMAL**). GSMAL, as the initial responsible entity for the HVT Projects, leased land from GSHVTPL in order to establish the Growers' plantations.

The Liquidators of GSHVTPL threatened to terminate all leases and sell the land leased for the HVT Projects. Lowell conducted extensive negotiations with the liquidators to resolve this dispute and reached an agreement which allowed some properties to be purchased by Lowell for the benefit of growers and some non-viable properties to be reclaimed by the Liquidator. Under the terms of the agreement, the Fund agreed to purchase the properties for \$2,345,000 plus costs, which is considered to be substantially below unencumbered market value of more than \$10,000,000.

A meeting of Growers held on 6 December 2011 approved Lowell managing the Fund and completing the Land Transaction, including the effective surrender of the non-viable portion of the land and purchase and on sale of the Option Assets. Grower approval was conditional upon Lowell raising funds to complete the Land Transaction, via a mixture of a Debt Facility, Offer Proceeds, sale of Option Assets and, if necessary, sale of Properties. In this Offer first preference to participate is given to Growers originally issued interests in the HVT Projects.

Lowell considers that raising as much equity as possible through the Offer is in the best interests of members of both this Fund and the HVT Projects. A full take up of the offer by members will enable the Fund to own and operate the properties on a secure, debt free basis without the burden of ongoing interest costs to the financier.

A shortfall in funds subscribed to the Offer will require the Fund to enter into high cost borrowing arrangements or to sell Properties or both in order to complete the Land Transaction.

Growers with interests in HVT Projects are entitled to apply for additional Units as they like and allocations will be made on the basis of their existing interests in Projects, with any surplus available to those Growers who have applied for additional Units.

Lowell is in the final stages of negotiating access to a Debt Facility which will provide the Fund with the ability to complete the Land Transaction in the event that the Offer is under-subscribed by Growers. This high interest short term facility is likely to be secured by a first mortgage over the Properties and the Lender requires specific approvals from members of the HVT Projects which necessitate further HVT Project Grower meetings to be held prior to Lowell drawing down on the Debt Facility.

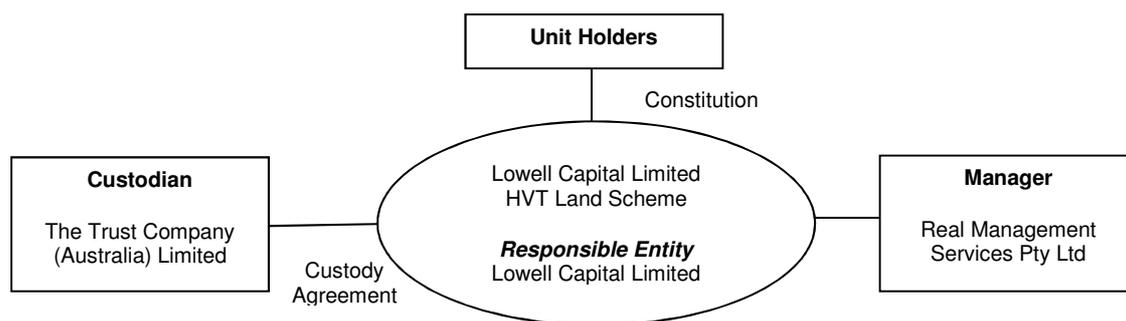
In addition, Lowell has established that there is significant market interest in the purchase of some Properties which may allow the Fund to arrange suitable sales to raise funds to supplement the Offer Proceeds and the Debt Facility.

College Farm, an Option Asset, has been purchased by the Fund and on sold, with a profit generated in the Fund.

The Land Transaction with the Liquidators is due for completion on 2 July 2012 and the Liquidators have indicated that no further extensions to this settlement date will be granted.

In the event that the Land Transaction does not complete on the due date, it is likely that the Liquidators will seek to terminate the leases held by HVT Projects over the Properties and sell them which could lead to a termination of the HVT Projects.

The structure of the Fund



1.3. Key Features

ISSUE	SUMMARY	FOR MORE DETAILS SEE
What is being offered?	10,667 Units in the Fund at \$375 each to raise \$4,000,000. The Fund is a unit trust and a managed investment scheme registered under the Corporations Act (ARSN 154 154 033).	Section 3.1
What are the terms of the Offer?	Growers may apply for as many Units in the Fund as they wish. Lowell will allocate Units in accordance with the terms disclosed to Growers in the Grower Update posted on the Lowell website dated 30 November 2011. The price of each Unit will be \$375. In addition, Unit Holders must make an annual contribution payment.	Section 1.4
About the contribution payment.	Unit Holders will be required to make an annual contribution payment to meet the Fund's operating costs (including interest, rates and taxes), fees and expenses. This is because Lowell does not expect to receive rent from the HVT Projects until harvest. If you fail to make the annual contribution payments, you will forfeit your interest in the Fund. Lowell estimates the initial contribution payment to be \$15per unit for part FYE 2012 plus \$125per Unit for FYE 2013. This assumes that 62.5% of the 10,667 Units available to be issued will be applied for and issued. The first contribution payment is due on 31 July 2012. It is subject to change and may be considerably higher if less than the full amount of Units in the Fund are taken up and the fund is exposed to high interest payments on debt financing. However the lower the uptake of Units and the higher the contribution payment, then the value of each Unit will be of a proportionately higher value. For more information, refer to section 3. The contribution payment for each financial year will be determined by the responsible entity after preparation of a detailed budget of Fund operating costs.	Sections 7 and 9
How do I invest?	By completing the Application Form and paying for the Units.	Section 1.5
How will the funds raised be applied?	Offer Proceeds will be used (along with proceeds from the College Farm transaction) to meet the Land Transaction costs, the costs of Grower approval, capital and debt raising costs and provide working capital to the Fund and to reduce the Fund's debt.	Section 3
Can a Unit Holder lose their interest in the	Unit Holders who fail to make their contribution payment will be given a notice requiring payment within 30 days. If the Unit Holder does not pay the contribution fee within 30 days, Lowell may determine that the Unit and any distributions or other money payable to the Unit Holder	Section 9.2.1

ISSUE	SUMMARY	FOR MORE DETAILS SEE
Fund?	are forfeited.	
What are the significant features and potential benefits of investing in the Fund?	<p>The benefits and features of investing in the Fund include:</p> <ul style="list-style-type: none"> • offers Growers the opportunity to improve the security of their forestry investment through the Fund's ownership of the Properties; • the potential for capital growth in the value of the Properties at completion of the Fund; • a low initial entry price for Unit Holders; • share of final distributions from sale of remaining properties at the conclusion of the Fund; • rental income derived from a 2.5% share of Net Proceeds of Sale of produce of the HVT Projects; • Lowell, as responsible entity for the HVT Projects is the long term tenant of the Properties; • Lowell's objective of a debt free Fund within 12 months; • an experienced manager, Real Management Services (the Manager); and • a Unit Holder elected Investment Review Committee (IRC) to review certain land dealings. 	Section 4.12
Does the fund have debt?	The Fund is likely to have debt if insufficient funds are subscribed to this Offer. Any Debt Facility will be high interest and amounts owing will rank before an investors interest in the Fund.	Section 3
What is the expected life of the Fund?	The expected life of the Fund is 15 to 18 years.	
What are the significant risks of investing in the Fund?	<p>The significant risks of investing in the Fund include:</p> <ul style="list-style-type: none"> • The Fund may have debt secured by a mortgage with priority over the head leases. It may have high funding costs and may not meet its interest payments. • If Lowell defaults under the proposed Debt facility, the head leases will automatically terminate and the Lender will be able to sell Properties. • A sale of Properties by the lender may result in reduced purchase prices. • If insufficient capital is raised under the offer, Lowell may be forced to sell properties at a discount to market value. • The amount of annual contributions required on an ongoing basis is not known. The less capital raised, the greater the annual contributions will be for investors. If an investor decides not to pay an annual contribution, the investor loses their interest in the Fund. • The Fund may not make any distributions to members until all Properties are sold. • Each Property may not be readily sold. • Any of the Properties may reduce in value. • Rental income cannot be guaranteed. The HVT Projects, as tenants, may not have the ability to meet their rental obligations under the Leases. 	Section 6

ISSUE	SUMMARY	FOR MORE DETAILS SEE
	<ul style="list-style-type: none"> • The contribution payment may subsequently increase due to escalating costs or reduced numbers of unit holders meeting the annual payment. • The Fund may not meet its objectives or the annual budgets. 	
What are the ongoing costs and amounts payable by the Fund?	<p>All of the ongoing costs in operating the Fund are payable out of the assets of the Fund, including the following:</p> <ul style="list-style-type: none"> • fees payable to Lowell, including: <ul style="list-style-type: none"> ○ Lowell's responsible entity fee of \$75,000 per annum; • the Manager's fees including: <ul style="list-style-type: none"> ○ Management Services Fee of \$75,000 per annum; ○ Property Management Fee of \$50,000 per annum; and ○ Registry Management Fee of \$10,000 per annum. • other fees and costs of operating the Fund. 	Section 7
What are the tax implications for Unit Holders?	<p>The Fund is likely to be taxed as a company. General information about the significant tax implications of the Fund is outlined in section 8. Any advice is general in nature and investors should seek their own professional taxation advice in relation to their own position.</p>	Section 8
What procedures are in place to deal with Unit Holder complaints?	<p>Lowell provides a complaints handling and dispute resolution process for Unit Holders and is a member of an external complaints resolution body.</p>	Section 5.7
About the IRC	<p>Lowell has provided for an Investment Review Committee (IRC). When constituted, the IRC's role will involve reviewing certain proposed transactions by Lowell to buy, sell, lease or encumber land of the Fund. The IRC will consist of three Unit Holders to be nominated and elected by Unit Holders. Please see www.lowellcapital.com.au for more information about nominating and electing IRC members.</p>	Section 4.12
Is there a cooling-off period?	<p>There is no cooling-off right for investors, as the Fund is not liquid.</p>	
Does the responsible entity take into account labour standards, or environmental, social or ethical considerations when selecting, retaining or realising investments?	<p>In view of the nature of investment in agribusiness assets, Lowell will not take into account labour standards, or social or ethical considerations in selecting, retaining or realising investments for the Fund.</p> <p>Environmental issues will be taken into account as part of normal property due diligence and in managing the properties.</p>	Section 10.5
How can further information be obtained?	<p>By calling the Manager on 08 8724 2400 or emailing hvtland@realmanagementservices.com.au</p>	Corporate directory
Where can you lodge your application?	<p>Real Management Services Pty Ltd PO Box 1621</p>	Section 12

ISSUE	SUMMARY	FOR MORE DETAILS SEE
	Mount Gambier, SA 5290 Telephone: 08 8724 2400 Fax: 08 8724 7466 Email: hvtland@realmanagementservices.com.au	

1.4. Entitlement to participate

All Growers will have the right to apply for Units and there is no restriction on the number of Units you can apply for. Although, Lowell intends to allocate Units in the following order:

Priority	Description	Application Form
1.	1 Unit per Woodlot issued to a Grower at commencement of the relevant HVT Project	Item 1(a)
2.	1 Unit per \$100 increased contribution equally among Growers that have applied for additional Units	Item 1(b)
3.	any balance to Growers that have applied for additional Units	Item 1(c)
4.	if insufficient funds are raised from Growers, to the general public	Item 1 (d)

The allocation process proposed above is intended to reflect the desire stated by a number of Growers that (a) all Growers should be eligible to participate and (b) a preferential right is given to Growers that have made increased contributions. Despite this, Lowell has the right to allocate Units at its absolute discretion and may return funds if the Offer is over-subscribed.

1.5. How to apply for Units

You can only apply for Units by completing and lodging the Application Form accompanying this PDS. Applications are due by no later than 5.00pm AEST on 26 June 2012 (unless Lowell in its absolute discretion extends this date), which is the Closing Date of the Offer. Applications must be completed and lodged in accordance with the instructions in section 12 of this PDS and the Application Form.

Applications may be accepted in whole or in part, or scaled back if the Offer is oversubscribed. By completing and returning an Application Form, each applicant gives a series of acknowledgments, including having read this PDS in its entirety. Lowell reserves the right to cancel the Offer at any time, in which event all application monies will be refunded.

Lowell may reject an application for Units, in which case, it will refund the application monies without interest.

The Fund will keep any interest earned prior to the issue of Units in a trust account for the benefit of all Unit Holders.

1.6. Minimum investment

The minimum investment amount is \$375. Additional application amounts must be in multiples of \$375.

1.7. No minimum subscription

There is no minimum subscription for this Offer. This means that Units will be issued regardless of the level of funds raised pursuant to this PDS.

1.8. Forfeiture of Units

Subject to the Corporations Act, Lowell may sell (or otherwise dispose of) a forfeited Unit. Any offer to sell forfeited Units must first be made to Unit Holders, and then to other parties.

Forfeited Units that are not taken up will be cancelled and will be distributed to members proportionally at the end of the Fund. Please refer to section 9.2.1 for more information.

2. Property Portfolio

The Properties of the Fund at the date of this PDS are described in the table below. Lowell has engaged Real Management Services Pty Ltd (ACN 121 786 712) (**the Manager**) to manage the Properties on its behalf.

2.1. The Properties

The Properties described in the table below were acquired by the Fund, as a result of the Land Transaction which settled on 14 May 2012.

Property	Location	Project Year	Total Area (Ha)	Planted Area (Ha)	Tree crop
Castellani	Abergowie QLD	2008	67	51.8	Teak
Cavallo Aggregation	Abergowie QLD	2007 & 2008	394.5	221.5	Teak
Coldwater	Abergowie QLD	2008	148.1	68	Teak
Di Giacomo	Stone River QLD	2007 & 2008	81	53.7	Teak
Erkillia	Abergowie QLD	2008	123.2	64	Teak
MacDonald	South Johnson QLD	2007 & 2008	149.2	73.5	Teak
Mahony	Abergowie QLD	2008	94	55.1	Teak
Messina	Tully QLD	2008	63	42.3	Teak
Mombelli	Abergowie QLD	2008	77.1	67.4	Teak
Quagliotto	Mount Fox QLD	2007 & 2008	204.7	92.7	Teak
Rutherford	Abergowie QLD	2008	45	35.2	Teak
Sheahan	Abergowie QLD	2007	226.1	105	Teak
Sorbello	Abergowie QLD	2007	101.4	80.5	Teak
Vella	Abergowie QLD	2008	55.5	43.7	Teak
Whatfor	Douglas Daly NT	2008	3,198.7	1,875.6	Mahogany
			5028.5 ha	2930.0 ha	

2.2. Value of Fund Properties and Scheme Value

A condition precedent prior to the Lender's offer of the provision of the Debt Facility was for a formal valuation of all the properties in the Fund to exceed \$10,000,000 in total based on a forced sale of the Properties unencumbered by head leases. This valuation threshold was achieved and the Debt Facility is likely to be offered on that basis. Directors of Lowell have estimated a total value of the properties of \$10,000,000 based on an orderly sale process on an un-encumbered basis. This is based on the formal valuation conducted on behalf of the Lender and separate advice of licensed real estate agents in the region where each of the Properties are situated.

The Fund will have a substantial positive Net Scheme Value based on a Properties valuation in excess of \$10,000,000 less the net liabilities of the Fund, immediately following the subscriptions to the Offer.

Value of the Properties @ Directors Valuation	\$10,000,000
Plus Members Subscriptions	\$4,000,000
College Farm Sale net proceeds of sale	\$275,000
Sub total Assets	\$14,275,000
Less Land Transaction including Stamp Duty and Adjustments	\$2,530,000
Less Estimated Transactional and Legal Costs	\$1,700,000

Net Scheme Value

\$10,045,000

* This assumes a full subscription of 10,667 units in the fund. Actual subscriptions may be more or less than 10,667 units. If the subscription rate is 62.5%, based on the level of active interest of Growers of the HVT Projects, the Net Scheme Value will be \$8,545,000 or \$1280 per unit. Refer to section 3.3 for information about this estimate.

Lowell has a valuation policy in place and will regularly report the value the properties and Net Scheme value to members.

2.3. Purchase and on-sale of College Farm

Lowell exercised its option to purchase the College Farm property (an Option Asset) for \$1,200,000 and completed the purchase on 25 March 2012. It has on-sold the property to Carey Investments Pty Ltd on an unencumbered basis for \$1,575,000. Costs including Lowell's property acquisition fee, asset disposal fee and selling agent's fee have been deducted from the proceeds along with professional adviser costs and other transactional costs. See section 1 for more information about fees and other costs.

Lowell has applied the net proceeds of this transaction to meet initial Fund costs in the manner described in section 3.

2.4. The Lessee

The Lessee under each of the Head Leases is Lowell Capital Limited, in its capacity as responsible entity for the relevant HVT Projects.

3. Funding

3.1. Source and application of funds

Under the Terms of this Offer Lowell proposes to raise approximately \$4,000,000 (10,667 Units at \$375 each).

3.2. Fully Subscribed

If the Offer is fully subscribed and raises \$4,000,000, Lowell intends to complete the Land Transaction, pay all the grower approval costs, Land Transaction costs and capital raising costs, and apply any balance to working capital to meet future expenses of the fund.

Lowell intends to use the funds raised as follows:*

Source and Application of Funds	Amount
Funds Received	
Members Contributions	\$4,000,000
Less Transactional Costs	
Property Purchase Price	\$2,340,000
Stamp Duty	\$90,000
Adjustments	\$100,000
Facility Fee	\$45,000
Plus College Farm net proceeds of sale	\$275,000
Net Funds Retained	\$1,700,000
Use of Funds	
Land Transaction costs	\$600,000
Capital and debt raising costs	\$600,000
Costs of Grower approval	\$500,000
Working capital	\$0

* this table represents Lowell's best estimate of the probable use of funds received with the information available to it at the time of preparation of this document. This estimate is subject to change.

3.3. Partly Subscribed – use of proposed Debt Facility

If less than \$4,000,000 is raised under the Offer, Lowell intends to draw down sufficient funds from the proposed Debt Facility to immediately complete the Land Transaction and to use the funds to pay all the Grower approval costs, Land Transaction costs, capital raising costs, and apply the balance either to working capital to meet future expenses of the Fund or to reduce the principle of the Debt Facility.

Lowell is required to estimate the level of subscription to the Fund in order to illustrate to investors the likely fees and value of the Fund. For this purpose, it estimates a subscription rate of 62.5%. The basis of this estimate is that 70% of Growers of the HVT Projects made contributions to the restructured schemes after appointment of Lowell as responsible entity. A proportion of Growers has not paid second year contributions and may not continue to support HVT Projects or support this Fund. As the success of the HVT Projects is dependent upon the success of this Fund and one of the benefits of this Fund to Growers is to protect their interest in the plantations, this is the best evidence of the level of interest of investors in the Fund. Approximately \$2,500,000 will be raised if there is a 62.5% subscription rate.

The table below illustrates the possible source and application of funds if \$2,500,000 is subscribed.*

Source and Application of Funds	Amount
Funds Received	
Members Contributions	\$2,500,000
Plus Debt Facility Drawdown	\$1,600,000
Less Transactional Costs	
Property Purchase Price	\$2,340,000
Stamp Duty	\$90,000
Facility Fee	\$45,000
Adjustments	\$100,000
Interest Expense from 29/06/12 for 91 days	\$80,000
College Farm net proceeds of sale	\$275,000
Net Funds Retained	\$1,720,000
Use of Funds	
Land Transaction costs	\$600,000
Capital and debt raising costs	\$600,000
Costs of Grower approval	\$500,000
Working capital	\$20,000

* this table represents Lowell's best estimate of the probable use of funds received with the information available to it at the time of preparation of this document. This estimate is subject to change.

3.4. Low Level Subscriptions

If less than \$1,500,000 is raised under the Offer, Lowell will drawdown the full amount available from the proposed Debt Facility and complete the Property Transaction. Lowell will apply available funds to the payment of costs, including Land Transaction, capital and debt raising costs and the costs of Grower approval of the Transactions. An orderly program of property sales will be implemented, with proceeds initially directed to payment of all costs of the Land Transaction and Capital Raising process and towards the repayment of the Debt Facility in its entirety. Lowell is of the belief, that in the event of a low level of subscription to the Offer, the best course available is to sell properties until all debt is repaid as quickly as possible. There is a risk that such a low level of subscription will result in annual contribution fees payable by investors being too high for investors to pay, notwithstanding the corresponding increase in value of Units in the Fund. In this case, Lowell will conduct the program of sales explained above and then consult Unit Holders about the continuation of the Fund.

3.5. Debt Facility

Lowell is in the final stages of negotiating a Debt Facility with Balanced Securities Limited, the Lender, which may be used to fund the Land Transaction in conjunction with the Offer Proceeds.

The key terms of the proposed Debt Facility offered by Balanced Securities Limited are summarised below.

Facility Limit	\$3,000,000
Maturity Date	2 years from the Date of Commencement
Interest payment	Estimated \$600,000 per annum payable quarterly in advance
Interest Rate	Acceptable Rate 19.75%

	Higher (Default) Rate 12.2 % above the Acceptable Rate
Gearing Ratio	30% based on Lenders Valuation
Risk Fee	Either: <ul style="list-style-type: none"> • \$250,000 if all Secured Moneys are repaid by the Maturity Date; or • \$500,000, if repayment does not occur by the Maturity Date or an Event of Default occurs.
Approval Fee	1.50% of the Facility Limit
Evaluation Fee	\$25,000
Valuation Fee	\$34,500
Acceptance Fee	\$9,750
Security	First Mortgage over all the Properties
Conditions precedent	Property Valuations must exceed \$10,000,000 based on Lender appointed Valuer's report.

*All fees are exclusive of GST.

Lowell will post an update on its website of any changes to these key terms in the final Debt Facility. If the changes are materially adverse, it will also issue a supplementary PDS.

3.6. Security to the Lender and Specific Approval for the Transactions

If Lowell chooses to activate the proposed Debt Facility, the Lender will require mortgages over the land as security for its loan.

The Lender is likely to also require that Lowell obtains approval for the terms of the proposed Debt Facility from Growers of the HVT Projects and amendments to the HVT Project constitutions to clarify Lowell's powers to implement it.

Grower Meetings for HVT Projects have been called for on or around 26 June 2012. A detailed explanation of the reasons for the meeting and the effect of the resolutions to be put to the meeting is contained in the Meeting Booklet which contains the Notice of Meeting and accompanying Explanatory Memorandum given to Growers.

3.7. Interest Payments.

Interest on the outstanding balance of the proposed Debt Facility is payable quarterly and in advance.

3.8. Term

The proposed Debt Facility must be re-paid or re-financed with two years from commencement.

4. Operation of the Fund

4.1. About the responsible entity

Lowell is the responsible entity for a number of managed investment schemes including the HVT Projects. It is licensed to carry on a financial services business and to act as responsible entity of the Fund. This includes responsibility for compliance with the Fund's constitution and compliance plans, and ongoing satisfaction of legislative and regulatory requirements. In carrying out its duties, Lowell must comply with the Corporations Act and must, among other things:

- act honestly and in the best interests of Unit Holders;
- exercise care and diligence; and

- act in the best interests of Unit Holders, and if there is a conflict between the Unit Holders' interests and its own interests, give priority to the Unit Holders' interests.

Lowell has established compliance plans and supporting compliance procedures, which are applied to ensure that Lowell continues to meet its obligations. A constitution and compliance plan have been prepared for the Fund which describe the key processes, systems and structures that Lowell will use to ensure compliance with the Corporations Act, the Fund's constitution and financial service laws. In summary, Lowell's role as responsible entity generally incorporates the following:

- (a) registering the Fund;

- (b) issuing disclosure documents;
- (c) establishing compliance plans and monitoring against regulatory and legislative requirements ;and
- (d) appointing and monitoring of external service providers (audit, custody management and Fund administration).

4.2. The Board of Lowell

The Board is responsible for monitoring the activities of the Fund, which includes oversight of the Manager. All acquisitions, developments and disposals require the approval of the Board.

4.3. The Directors of Lowell Capital

<p>Michael Ramsden (Chairman)</p>	<p>Appointed 01/06/2007</p> <p>Mr Ramsden is a qualified lawyer with more than 25 years' experience in the corporate finance industry. He has been extensively involved in investment banking and insurance, including corporate advisory, fixed income, futures trading, cross border transactions, foreign exchange and funds management in the United Kingdom and Australia. Mr Ramsden's skill base includes equity raising, funds management and general corporate advice. Mr Ramsden is also Chairman of Australian Mines Ltd, managing director of Terrain Capital AFSL number 240276 and previous director of D & D Tolhurst (stockbrokers) and executive chairman of the listed Terrain Australia Limited.</p>
<p>Oliver Carton (Director)</p>	<p>Appointed 22/10/2010</p> <p>Mr Carton is a qualified lawyer with over 22 years' experience in a variety of corporate roles. He currently runs his own consulting business and was previously a Director of Chartered accounting firm KPMG. Prior to that he was senior legal officer with ASIC. Mr Carton has significant corporate governance experience and is currently director or company secretary of a number of listed and unlisted companies, ranging from Lowell Capital limited to the not for profit Melbourne Symphony Orchestra Pty Ltd.</p>
<p>Don Carroll (Director)</p>	<p>Appointed 21/09/2009</p> <p>Mr Carroll has extensive experience in the development and marketing of minerals and energy products. Mr Carroll held a number of senior positions with BHP Billiton including General Manager Minerals Marketing Asia, President BHP Billiton Japan, President BHP Billiton India, and was a Director and CEO of Guinea Alumina Company. Mr Carroll has a Bachelor Degree in Mining Engineering from Sydney University, and is on the board of listed company Energio.</p>

4.4. Board Function

The Board seeks to perform the following key functions:

- (a) provide strategic direction;
- (b) protect and promote the best interests of Unit Holders;
- (c) oversee the Management Agreement between Lowell and the Manager; and
- (d) by delegation to the compliance committee monitor risk management, compliance and financial and other reporting requirements.
- (e) Risk Management;
- (f) Service Agreements;
- (g) Privacy of Consumer Information;
- (h) Complaints Handling and Dispute Resolution;
- (i) Property Valuation;
- (j) Investment Management Guidelines;
- (k) Accounting, Administration and IT policies and procedures;
- (l) Anti-Money Laundering Policies;
- (m) Legal and Regulatory; and
- (n) Code of Conduct policies.

4.5. Board Policies

The Board has adopted a number of policies covering a range of matters dealt with by the Board and its sub committees which are aimed at providing best practice corporate governance standards. The policies cover the following subjects:

- (a) Conflicts of Interest;
- (b) Breach and Incidents Reporting;
- (c) Unit Holder Communication;
- (d) Related Party Transactions;

4.6. The Manager

Lowell has appointed the Manager to provide Management Services in relation to a number of its Funds. The services include:

- fund management services;
- property management services;
- registry services; and
- other services agreed from time to time.

Please see section 9.5 for more information.

4.7. Compliance committee

The Board has established a compliance committee to monitor Lowell's compliance with the compliance plan. This committee will meet at least quarterly and comprises the two independent directors and the Compliance Manager, and is chaired by the independent member who is not associated with the Board.

4.8. Capital Management

The principal aim of the Lowell's capital management framework for the Fund is to deliver desirable long term strategic outcomes for Unit Holders including the provision of a low risk land asset platform to enable completion of the associated HVT Projects and to deliver a capital gain for Unit Holders when Properties are sold.

The Properties will be covered by long term lease agreements between the Custodian (legal owner of the properties) and Lowell (as the responsible entity for each of the HVT Projects), when the Land Transaction completes. At the completion of the lease period, Lowell expects that each remaining Property will be sold and the net proceeds distributed to Unit Holders.

Under the terms of the Offer, 10,667 units in the Fund are offered to coincide with the number of units existing within the HVT Projects. If the Offer is fully subscribed, there will be sufficient funds to enable the completion of the Land Transaction including payment of all fees, costs and expenses. The ongoing management costs and expenses of the Fund will be met from annual contributions from Unit Holders.

If the offer is partly subscribed and raises sufficient funds to complete the Land Transaction, Lowell may undertake the sale of some Properties to raise the balance of the funds required to enable the Fund to be debt free. It is likely that the Responsible Entity will activate the proposed Debt Facility in order to complete the Transaction.

The proposed Debt Facility is high cost and extends only for a two (2) year term. Lowell considers it is in the best interest of Unit Holders to raise equity or to sell properties and to eliminate the debt as soon as possible. The Manager will continuously monitor the performance of the Properties to ensure that the Lessee is compliant with the lease terms and that the fixed assets are appropriately maintained.

The Manager will prepare annual operating budgets and recommend an annual members contribution payment in order to maintain sufficient liquidity in the Fund to enable payment of management fees, interest on any borrowings, Government rates and taxes, fees, insurances and other costs. Please see section 7 for more information about fees and other costs.

4.9. Distribution Policy

The Fund will make final distributions after the Fund terminates and the Properties are sold.

In the event that sufficient properties are sold and the transactions generate funds which are surplus to requirements, Lowell will consider the payment of interim distributions.

At other times, the Fund will be illiquid and it is unlikely that distributions will be payable.

When Lowell makes distributions to Unit Holders, Lowell will only pay distributions by electronic transfer to the Unit Holders' nominated bank or other Australian financial institution accounts specified in the Application Form. Lowell will require your banking details to be specified in the Application Form as no cheques will be issued for distributions.

Investors should note that Lowell does not guarantee that distributions will be paid to Unit Holders. Investors should carefully review Section 6 (Significant Risks), and Section 8 (Tax) before making a decision to acquire Units in the Fund.

4.10. Valuation Policy

Lowell proposes to value the Properties once every 5 years, or more frequently as advised by the Manager. ASIC's regulatory guidance (RG 46 and RG 120) provides that obtaining an independent property valuation once every 3 years is good practice to satisfy the obligation to obtain regular property valuations under the Corporations Act. Lowell acknowledges that certain property funds conduct independent property valuations at least once every 3 years. However, Lowell considers that this interval is not appropriate for the nature of the Properties nor cost effective for Unit Holders. There are several reasons for this, including that:

- rent is not marked to the market value of the Properties, so a change in valuations will not change rental returns to the Fund;
- Lowell does not intend to actively trade properties;
- the Fund is expected to operate for 15-18 years and Lowell anticipates minimal trading in the Units;
- more frequent valuations will mean more cost to Unit Holders, for no obvious benefit.

At each reporting date, the carrying value of each Property is determined in accordance with the Australian accounting standards, which requires that investment properties be recorded at fair value, reflecting market conditions. The gain or loss arising from any change in the fair value of the investment property is recognised in the income statement for the period in which it arises.

Lowell will conduct an independent valuation of the plantation assets of any Property sold to determine the proportional value of the plantations for the purpose of determining the amount to be paid to the relevant HVT Project.

4.11. The Custodian

The Trust Company (Australia) Limited has been appointed as the Custodian to hold the application monies and title to the Properties, as directed by a proper instruction from the Lowell or the Manager.

4.12. Investment Review Committee

Lowell has provided for the establishment of an Investment Review Committee (**IRC**). The IRC's role is governed by the Fund's constitution and any related procedures. The IRC will consist of three Unit Holders to be nominated and elected by the Unit Holders of the Fund. The IRC will have the role of reviewing any proposed transactions by Lowell to buy, sell, lease or encumber land of the Fund, where such action is not for the purpose of retiring debt of the Fund or terminating the Fund. Where the IRC and Lowell do not agree on a transaction proceeding, Lowell must call a meeting of Unit Holders to approve the transaction, potentially increasing the cost of running the Fund. These costs will be borne by Unit Holders. All transactions relating to the Properties will be subject to Lowell meeting its requirements under the Corporations Act. To assist in managing conflicts arising between the Fund and the HVT Projects, any member of the IRC cannot be a member of the Grower Review Committee to be established for the HVT Projects.

5. Corporate Compliance, Conflicts, Complaints and Reporting

5.1. Compliance and the Fund

The Corporations Act, the Fund's Constitution, the Fund's compliance plan and general Australian law regulate the operation of the Fund and the responsibilities and duties of Lowell (and its directors and officers) as the Fund's responsible entity. The Board is responsible for the overall corporate governance of Lowell and the operation of the Fund. The Board has accepted that they must exercise their functions diligently and in the best interests of Unit Holders. To achieve this objective the Board has adopted a structure and policies as described below.

Lowell has adopted a compliance plan and established an independent compliance committee to monitor its compliance in relation to the Fund. The compliance plan sets out the methods that Lowell will follow in relation to the Fund to ensure that it is complying with the Corporations Act and Constitution. The compliance plan was lodged with ASIC when the Fund was registered as a managed investment scheme. Lowell appoints an independent auditor who will audit the compliance plan annually and report their findings to the Board and to ASIC.

5.2. Conflict of interest

The Corporations Act also imposes a specific duty on Lowell, as an AFSL holder, to manage conflicts

of interest. Lowell has an internal policy to manage existing and future conflicts of interest, including potential conflicts between the Fund, Lowell and other funds that Lowell operates.

The compliance plan for the Fund includes references to Lowell's policy for dealing with conflicts of interest. Various roles and/or investments held by Lowell and any of its representatives may give rise to conflicts of interest, including Lowell's role as responsible entity of the Fund, a director of Lowell also being a director of another company and a representative of Lowell being remunerated by way of commission or receiving a benefit in return for providing general advice about the Units.

When providing general advice on Units, each Lowell representative is required to disclose the extent to which (if any) they have a legal or beneficial interest in the Units, they are related to or associated with Lowell as issuer, and are likely to receive financial or other benefits depending whether their advice is followed.

The Compliance Manager is responsible for advising all directors and officers, and representatives of their obligation to disclose any conflicts, and to disclose any interests that they or their associates may hold in the Fund. The Compliance Manager maintains a register recording all reported conflicts and potential conflicts, and tables the register at each quarterly compliance meeting.

The Board is ultimately responsible for controlling conflicts, assisted by the Compliance Manager and the Compliance Committee. Each may obtain independent expert advice, in order to resolve the conflict and determine whether and if so what action it should take.

5.3. Identification and management of conflicts

Lowell has established procedures in accordance with ASIC's Regulatory Guide 181 Licensing: *Managing conflicts of interest* to ensure that any conflict of interest in respect of the directors, compliance committee members and key staff is disclosed and appropriately dealt with. In addition to being the responsible entity for the Fund, Lowell is also the responsible entity of other registered managed investment schemes, including the HVT Projects.

Conflicts that may arise include property acquisitions and disposals between Lowell and related parties, the provision of Plantation management services to the Lessee by AMAT (affiliated with Lowell), property leasing by Lowell in its dual capacities, dispute between lessor / lessee; performance of duties and powers in its lessor and lessee capacities; apportioning proceeds of sale of land between the Fund and relevant HVT Projects.

Lowell will obtain an independent valuation of the plantations for the purpose of determining the amount payable to the relevant HVT Project when any of the Properties are sold.

Lowell must ensure that any issues arising involving the performance of the lessee are reported to the directors of Lowell and assessed only by those which are independent of AMAT.

5.4. Compliance Committee

A key element of the Fund's corporate governance framework is the compliance committee, which is a sub-committee of the Board. Please refer to section 4.7 for further information about the structure of the compliance committee.

In summary, the role and responsibilities of the Compliance Committee is to:

- (a) to monitor to what extent the Lowell complies with the Fund's compliance plan and to report on its findings to the Board;
- (b) to report to the Board:
 - (i) any breach of the Corporations Act involving the Fund; or
 - (ii) any breach of the provisions included in the Fund's constitution in accordance with section 601GA of the Corporations Act;

of which the committee becomes aware or that it suspects;

- (a) to report to ASIC if the Compliance Committee is of the view that Lowell has not taken, or does not propose to take, appropriate action to deal with a matter reported above;
- (b) to assess at regular intervals whether the compliance plan is adequate, to report to the Board on the assessment and to make recommendations to the Board about any changes that it considers should be made to the Fund's compliance plan.

The Compliance Committee meets regularly and makes recommendations to the Board on matters arising from each of the abovementioned matters.

5.5. Lowell's obligations as an AFSL holder

Lowell has obligations under its AFSL and under the Corporations Act.

Those include ensuring that financial services are provided efficiently, honestly and fairly (in addition to the conflict management obligations referred to above). Lowell must also ensure that its representatives are competent to provide the financial services under its AFSL, and do so complying with all legal requirements.

5.6. Independent Professional Advice

Lowell's directors and committees may obtain independent professional or other advice at the reasonable cost of Lowell (in its personal capacity). It is intended that the Lowell's directors and compliance committee members will consult the Chairman of Lowell before obtaining such advice.

5.7. Complaints

Lowell has appointed the Compliance Manager to act as the complaints officer, with authority to review any complaints from Unit Holders or holders of other instruments. The role and responsibilities of the complaints officer include receiving and processing complaints, reviewing and considering complaints in a timely manner and communicating directly with Unit Holders or holders of other instruments in relation to complaints.

A Unit Holder may make a complaint by lodging it at the following address:

The Complaints Officer
Mr Steven O'Connell
Compliance Manager
Lowell Capital Limited
PO Box 1136
South Melbourne VIC 3205

Business (03) 9815 2444
Fax: (03) 9620 9855
Email: steveno@lowell.net.au

If the complainant is dissatisfied with the decision of Lowell or if a complaint is not resolved within 45 days following receipt of the complaint, the complaints officer will inform the complainant of the reasons for the delay and/or explain that the complainant has the right to refer the complaint to the Financial Ombudsman Service Limited (FOS) for determination. The complainant may also take any appropriate lawful action.

Lowell is a member of FOS which is an independent external dispute resolution scheme approved by ASIC.

Unit Holders can contact FOS by telephone on 1300 780 808.

Or write to:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001

Website: www.fos.org.au

6. Significant Risks

6.1. Risk factors

The risk factors associated with an investment in units in the Fund fall into the following broad categories:

- (a) risks associated with investing in the Fund;
- (b) risks associated with the Fund's investments;
- (c) risks associated with funding;
- (d) risks associated with the management structure of the Fund; and
- (e) other risks.

Lowell considers that the summary below, which is not exhaustive, represents the significant risk factors that potential Unit Holders need to be aware of. These risks, if they occur, could materially

affect the value of Units, the size and timing of distributions and the underlying value of the Fund's Properties and returns to Unit Holders.

Lowell recommends that potential investors examine the contents of this PDS in its entirety and consult their professional advisors before deciding whether or not to invest in the Fund.

Some risks may be unforeseen or unknown to Lowell and other risks, currently believed to be immaterial, could turn out to be material.

6.2. Risks associated with investing in the Fund

Risk	Description of risk
The Fund will not pay distributions	The Fund is illiquid and is unlikely to pay distributions. This means that investors are unlikely to receive any return from the Fund, save for the balance of any expected rental income and proceeds from the sale of properties (after debt and other expenses).
You may not be able to access your investment during the life of the Fund	You are unlikely to be able to access your investment under the end of the Fund. Lowell does not propose to make withdrawal offers if the Fund is illiquid.
If the Fund is wound up, Unit Holders rank behind all creditors of the Fund	Unit Holders will rank behind all creditors of the Fund in the event of winding up. This means that, if there is a shortfall of funds, Unit Holders will not receive a full (or any) return of capital.
Contribution payments may be higher than the estimate and may increase	The estimate of management costs in section 7 of the PDS is based on an estimate of a capital raising of \$2,500,000, or 62.5% of the units on issue. The amount raised may be more or less than this amount. If it is less, the amount of Management Costs for each unit will increase, however so will the value of each unit. Examples are given in section 7 of the PDS. Lowell has relied upon information provided by third parties and has prepared a budget of the costs associated with operating the Fund (including holding the Fund's investments) for the year ending 30 June 2013. These costs may change, and if these costs increase, the amount of the contribution payment will increase. If the subscription rate is considerably less than this estimate, Lowell will implement a program of sales described in section 3.4 and will consult Unit Holders about the future of the Fund.
Lowell may default on the Debt Facility	If Lowell defaults on the proposed Debt Facility, the Lender may enforce its mortgage over some or all of the Properties and sell them at a price that is lower than what Lowell could achieve in an orderly sale.
The taxation treatment of Units may change	An outline of the taxation features of an Australian taxpayer investing in the Units is set out in Section 8. It is a general outline only and investors should seek independent advice in relation to their own taxation position.

6.3. Risks associated with the Fund's investments

Risk	Description of risk
Performance of investment Properties may be adversely affected by difficulties in selling properties	The performance on the Fund depends on Lowell's ability to reduce debt without selling a significant number of the Properties.
Properties may not be able to be sold to meet the debt reduction strategy	The Properties are highly illiquid assets (i.e. cannot be immediately sold to generate cash). The Fund may not be able to sell them at their reasonable value in a timely manner. This could impact upon the Fund's ability to reduce debt in the manner proposed.
Early sale of Properties may have adverse effects	If Properties are sold before harvest, Lowell may be required to pay some of the sale proceeds (after debt, costs and expenses) to the HVT Projects to account for the value of trees on the Properties sold. Any payments to the HVT Projects will be made to reflect the value of trees foregone under any sale. As such, an early sale (forced or otherwise) may have a material adverse effect on the Fund's financial performance, financial position, cash flows, distributions, growth prospects or Unit

Risk	Description of risk
	price if the Trees on a sold Property are given a high value proportionate to the sale price.
Lowell may need to make unplanned capital expenditure	Unforeseen capital expenditure requirements may affect the ability of the Fund to meet its obligations to lenders, as well as affecting the returns to Unit Holders.
General economic conditions will impact on the Fund	The operation of the Fund is affected by a variety of general economic and business conditions, including inflation, interest rates and exchange rates, access to debt and capital markets, and government fiscal, monetary and regulatory policies. Changes in inflation, interest rates and other economic conditions may affect the value of the Fund's assets. Property values and, therefore, the level of growth in value of the Properties may be affected by these factors, in addition to the risks associated with an investment in any agricultural property.
Value of Properties may not increase	The value of the Properties may fall as well as rise leading to losses or gains. There is no certainty as to the state of the property market during the life of the Fund and no guarantee can be given as to the resale value of the Properties when they are sold. There are a number of general risks associated with investing in this type of property and associated plantations which may affect the value of the Properties, including: (a) general changes in agricultural property values; (b) variances in yield for Plantation Produce on the Properties, due to general economic conditions, a fall in consumer demand, adverse movements in foreign currency exchange rates and/or the imposition of new levies, imposts or taxes; and (c) variance in the price received for Plantation Produce, due to general global economic conditions, a fall in consumer demand, adverse movements in foreign currency exchange rates and/or the imposition of new levies, imposts or taxes.
Damage to the Plantations may reduce rental yield	Rental income of the Fund will depend upon the amount of Plantation Produce available for harvest. If any Plantations are damaged by fire, flood or windstorm, the Fund's rental income will be reduced. The Fund does not maintain insurance for this purpose.
Change in discount rates used in valuing Properties may reduce value of the Fund's assets	The future valuations of the Properties will be undertaken using a variety of methods, including the application of discounted cash flow analysis. The valuations will therefore be sensitive to the choice of discount rate used. Lowell's directors intend to use market determined discount rates, adjusted for the level of risk, in performing the valuations. If discount rates increase, it may lead to a reduced valuation and possibly a breach of the Fund's gearing covenants in its borrowing facilities. The market's valuation of the Fund's assets will also be susceptible to movements in comparable discount rates, which may affect the Fund's financial performance, financial position, cash flows, distributions, growth prospects and Unit price.

6.4. Risks associated with funding

Risk	Description of risk
Funding costs are high and may increase	The Fund must pay a significant amount of interest, a risk fee of up to \$500,000 and other costs under the proposed Debt Facility. Lowell is not able to obtain finance from a Bank at normal rates, because it does not receive rental income and has no way to service the debt except through member contributions or property sales. Interest costs for the Debt Facility are calculated using a base indicator rate plus a margin. Interest rates may increase in response to broader market factors causing the Debt Facility rates to increase.
Limited access to funding may affect the Fund's financial position	The Fund's ability to make further investments or refinance its debt is dependent on its ability to access funding from external sources, which may be in the form of debt, equity or quasi-equity. There can be no assurance that any such funding will be available to the Fund on favourable terms, or at all, if required. If adequate funds are not available on acceptable terms, the Fund, directly or indirectly, may not be able to take advantage of opportunities that may arise out of retaining Properties, or be forced to sell Properties. This may have a material adverse effect on the Fund's financial position, financial performance, cash flows, distributions, growth prospects

Risk	Description of risk
	and Unit price.
Unit holdings may be diluted by future capital raisings	Future capital raisings by the Fund may dilute the holdings of Unit Holders. This may have a material adverse effect on the Fund's financial performance, distributions, growth prospects and Unit price.
Debt Facilities may not be available	In the event that the Fund is undersubscribed and cannot obtain debt finance, Lowell may not be able to complete the Land Transaction. Lowell intends to sell Properties to raise the balance of monies required to complete the Land Transaction, however the Liquidators have not agreed to any extension of the 2 July 2012 completion date and Lowell is unlikely to have time to sell any Properties during the time between the closure of this offer and the completion date.

6.5. Risks associated with management structure of the Fund

Risk	Description of risk
Reliance on the Manager	<p>Unit Holders will have no control over the day-to-day operations, including investment decisions of the Fund. Unit Holders must rely on the judgement of the Board and the Manager, their delegates and, in particular, on the judgement of their respective principals, officers and employees to advise on the conduct and affairs of the Fund. The Fund's success depends, in large part, on the performance of this management team.</p> <p>There can be no assurance that Lowell or the Manager will be able to retain its key personnel. Further, because the Manager will rely on support from Lowell or its related entities to help fulfil its obligations to the Fund, the loss of any key personnel by these entities as a whole could materially affect the Manager's ability to effectively manage the Fund. In addition, as such personnel will have been provided to other funds managed by Lowell on a non-exclusive basis, there can be no assurance that such personnel or resources will be available at the times and to the extent required by the Manager or the Fund.</p> <p>In addition, both Lowell and the Manager have rights to terminate the Management Agreement in certain limited circumstances and accordingly there can be no assurance that the Manager will remain the Manager of the Fund, nor can there be any assurance that the Fund could remove the Manager of its own accord or that a suitable replacement would be found. See section 9.5 for further details of the termination provisions under the Management Agreement.</p>
Conflicts of interest with other Lowell managed funds	<p>In addition to being the responsible entity of the Fund, Lowell is also the responsible entity of other funds, including the HVT Projects (which leases the Properties). Lowell's compliance plan for each scheme sets out how it will deal with such conflicts of interest. In consideration for agreeing to the mortgagee having priority over the head leases, the relevant HVT Project will receive the greater of:</p> <ul style="list-style-type: none"> • 10% of any sale proceeds returned to the Fund net of costs; and • an amount than can be apportioned to the value of the trees on the basis of an independent valuation.
Conflicts of interest	<p><u>Acquisition opportunities</u></p> <p>There are no formal arrangements or obligations requiring Lowell to introduce transactions to the Fund directly or through the Manager and the Fund will not have priority to any investment opportunities within the Fund's investment profile which are identified by the Manager or Lowell. Accordingly, Lowell and the Manager can identify investment opportunities for itself, for other current or future entities.</p> <p><u>Related party transactions</u></p> <p>The Properties owned by the Fund are held by the Custodian and leased to Lowell (as responsible entity for the HVT Projects), in addition to Lowell being the Fund's responsible entity.</p> <p>It is anticipated that the Fund will primarily invest in properties purchased from GSHVT, and leased to Lowell as responsible entity for the HVT Projects.</p> <p>As such it is likely that from time to time conflicts of interest may arise between the interests of the Fund and those of the HVT Projects. In such cases, Lowell will adhere to the requirements of its conflicts policy and relevant law.</p>

Risk	Description of risk
	<p><u>Lowell personnel</u></p> <p>Lowell group personnel who provide services to the Manager have or may have obligations to provide services to other entities, including other Lowell entities and/or other managed funds now or in the future, and thus may not be able to devote all of their time to the Fund.</p> <p>Such personnel may also have obligations to investors in other funds, the fulfilment of which might not be in the best interests of the Fund.</p> <p>Such conflicts of interest may have a material adverse effect on the Fund's financial performance, financial position, cash flows, distributions, growth prospects or Unit price.</p> <p><u>Access to confidential information</u></p> <p>The Manager and personnel within Lowell seconded to the Manager or who provide services to the Manager may also have access to information generally in respect of the Lowell group which may not, because of obligations owned by them or associates to another entity, be disclosed to the Fund, but which may be relevant to the Fund. These limits on the Fund's ability to transact may not be in the best interest of the Unit Holders.</p>

6.6. Other risks

Risk	Description of risk
<p>Unforeseen circumstances may arise in respect of the Fund</p>	<p>Major unforeseen circumstances may occur in respect of the Fund, Lowell or their assets and affect the ability of the Fund or Lowell to meet their obligations, and importantly Lowell's obligation to pay rent to the Fund under the Head Leases.</p> <p>Such circumstances in respect of the Fund or Lowell, may include major litigation; natural disaster; significant industrial action; loss of major clients or suppliers or other causes of business interruption.</p>
<p>Complex legal documentation</p>	<p>Legal documentation in respect of the use and occupation of the Fund's Properties is complex and the risk of a dispute over interpretation or enforceability of this documentation may be higher than in a conventional equity investment.</p> <p>The contracts between the Fund and other parties are fundamental to the success of the investment for Unit Holders. The terms of the documents in many cases contain various representations and indemnities given by the Fund to other parties. Any loss suffered by a party may lead to a claim against the Fund and losses incurred may be paid out of the Fund assets and result in a reduction of the Fund assets. To better appreciate the risks associated with documentation, Unit Holders should also read the summary of Material Documents which is set out in section 9.</p>
<p>IRC</p>	<p>If the IRC does not agree to a relevant Land Transaction, Lowell must call a meeting of Unit Holders. Significant cost and delay associated with this process may prejudice Lowell's ability to complete the relevant transaction and/or reduce its profitability.</p>

7. Fees and Other Costs

7.1. Consumer Advisory Warning

Before setting out the fees and other costs of the Fund, we are obliged under Australian Law to provide you with the following Consumer Advisory Warning. Specific information about fees and costs is available at section 7.2

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from \$100,000 to \$80,000).

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

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

TO FIND OUT MORE

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

7.2. Fees and Other Costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole. Tax information is set out in Section 8 of this PDS.

You should read all of the information about fees and costs, because it is important to understand their impact on your investment. All fees referred to in this section are inclusive of GST less any applicable Reduced Input Tax Credits.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the Fund		
Unit establishment/ transfer fee The fee to register your investment	A fee of up to \$50 for processing and registering each assignment or transfer of Units	Payable directly by the Unit Holder upon receipt of an invoice
Contribution fee The fee on each amount contributed to your investment – either by you or your employer	Nil	Not Applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not Applicable
Termination fee The fee to close your investment	Nil	Not Applicable
Management Costs		
The fees and costs for managing your investment	Annual contribution Estimated to be \$31.50 per Unit ¹	Payable annually in advance from the commencement of the Fund upon receipt of an invoice.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Service fees		
Investment Switching Fee The fee for changing investment options	Nil	Not Applicable

1. This is an estimate only. Lowell is required to put a reasonable estimate if the exact amount is not known. This estimate is based on a capital raising of \$2,500,000, or 62.5% of Units on issue. See below for further details about this fees including how it is calculated from year to year.

7.3. Additional Explanation of Fees and Other Costs

7.3.1 Annual contribution payment

The annual contribution payment is calculated on an annual basis. The annual contribution payment will be the principal source of income for the Fund and must cover most operational and transactional costs and the following management costs which are further explained in 7.3.6 to 7.3.9 below:

- (a) Ongoing Management Fee;
- (b) Management Services Fee;
- (c) Property Management Fee; and
- (d) Registry Maintenance Fee.

7.3.2 Acquisition, Asset Disposal and Selling Agent Fees

When the Fund acquires or disposes of real property the responsible entity may be entitled to an Acquisition Fee in the case of an acquisition and may be entitled to an Asset Disposal Fee and/or Selling Agent Fee in the case of a disposal.

A worked example of these fees that would be applicable in relation to the acquisition or disposal of a \$2 million property is set out in the table below. This example is illustrative only

TYPE OF FEE OR COST	CALCULATION OF AMOUNT	AMOUNT IN \$
Asset Acquisition Fee The fee payable on acquisition of real property with a purchase price of \$2 million	Minimum Fee (0%) Maximum Fee (2.50% of \$2m)	Nil \$50,000
Asset Disposal Fee The fee payable on real property disposed by the Fund with a gross sale price of \$2 million	1.50% of the gross sale price	\$30,000
Selling Agent Fee Fee payable to responsible entity or other party that provides selling agent services to the Fund for real property with a sale price of \$2 million	Maximum Fee (2.0% of gross sale price)	\$40,000

7.3.3 Debt Arrangement Fee

In addition, if Lowell enters into the Debt Facility, it will be entitled to a Debt Arrangement Fee payable on the date on which the first draw-down is made by or on behalf of the Fund in relation to each debt facility.

A worked example of the fee that would be applicable in relation to the arrangement of finance to the value of \$3million, is set out in the table below. This example is illustrative only.

AMOUNT OF DEBT FINANCE ARRANGED	CALCULATION OF AMOUNT	AMOUNT
\$3,000,000	1.5% of \$3,000,000	\$45000

7.3.4 Capital works, development and other services fees

Lowell may be required to undertake capital works, development or other property-related services for the purposes of development or improvement of

the Fund's property. If this is the case, Lowell will be entitled to a fee which is commercially and reasonably appropriate in the circumstances. Because of the uncertainty of the capital works and development which may need to be undertaken in relation to the Properties over the term of the Fund,

it is not possible to estimate the amount of such fees.

7.3.5 Ongoing Expenses

Ongoing expenses represent the operating expenses incurred in the day-to-day operation of the Fund. There is no limit in the Fund's constitution on the amount that can be reimbursed for expense recoveries, in the proper performance of the responsible entity's duties in respect of the Fund.

Such reimbursable expenses, taxes and liabilities include, but are not limited to:

- (a) setting up the Fund, including obtaining taxation advice, legal advice, appointing external consultants, negotiating the purchase of Scheme Property, appointing a manager, preparing this document and any amendments to it (for example, drafting and stamping them as well as lodging them with the ASIC);
- (b) obtaining approval from members of the 2007 High Value Timber Scheme ARSN 123 528 950 and the 2008 High Value Timber Scheme ARSN 123 529 233 to facilitate the acquisition of the Properties;
- (c) making Offers or invitations in respect of Units, including costs of preparing, lodging, registering, distributing, advertising and promoting any Offer documents including a product disclosure statement, prospectus or information memorandum;
- (d) marketing and promoting the Fund;
- (e) underwriting arrangements in respect of the Fund;
- (f) any further actual or proposed purchase, sale or other dealing with Scheme Property (including investigating and making inquiries into property intended to be acquired for the Fund);
- (g) the insurance, custody, valuation, maintenance and improvement of Scheme Property;
- (h) any contract or proposed contract relating to the Fund;
- (i) the administration or management of the Fund and the Scheme Property (including financial institution fees and expenses associated with the use of computers for the Fund);
- (j) calling and holding Meetings, communicating with Unit Holders and implementing any resolution passed by Unit Holders;
- (k) appointing or engaging any agent (including the Manager), delegate, custodian, adviser or other person in relation to the Fund (including legal expenses on a full indemnity basis);
- (l) preparing and auditing tax returns and accounts of the Fund;

- (m) the retirement or removal of the responsible entity, Fund auditor or Compliance Plan auditor as well as the appointment of a new one;
- (n) any court proceedings, arbitration or other dispute concerning the Fund (including proceedings against the responsible entity);
- (o) the setting up and operation of any compliance committee (including any fees paid to, or insurance premiums in respect of, the compliance committee members);
- (p) establishing the IRC;
- (q) preparing, implementing, amending and auditing of the Compliance Plan;
- (r) regulatory and legislative compliance in respect of the Fund (including complying with any request or requirement of ASIC);
- (s) terminating and winding up the Fund;
- (t) taxes imposed on the Fund or the responsible entity in relation to the Fund (but not taxes on the responsible entity's own income); and
- (u) any liability arising in respect of the Scheme Property (for example, calls on shares).

7.3.6 Ongoing Management Fee

The Ongoing Management Fee payable to the responsible entity is \$75,000 per annum, indexed annually from 30 June 2013 to the greater of 3% or CPI. Each Unit Holder pays a portion of this fee, calculated as the percentage of Units held by the Unit Holder against the total Units on issue. An example is given in the table at 7.4 below.

7.3.7 Management Services Fee

Lowell has agreed to pay the Manager a management services fee, commencing at \$75,000 per annum, indexed annually from 30 June 2013 to the greater of 3% or CPI. Each Unit Holder pays a portion of this fee, calculated as the percentage of Units held by the Unit Holder against the total Units on issue. An example is given in the table at 7.4 below.

The terms of the management agreement are detailed in Clause 9.5.

7.3.8 Property Management Fee

Lowell has agreed to pay the Manager a property management fee, commencing at \$50,000 per annum and indexed annually from 30 June 2013 to the greater of 3% or CPI. Each Unit Holder pays a portion of this fee, calculated as the percentage of Units held by the Unit Holder against the total units on issue. An example is given in the table at 7.4 below.

If the Manager's appointment is terminated, a property management fee will be payable to Lowell or a third party for the provision of property management services. The property management fee, whether paid to Lowell or a third party will not be more than what a competent manager would

charge for providing property management services on commercial arm's length terms.

If Lowell is entitled to the Property Management Fee it is payable monthly in arrears out of the Fund from the commencement of the Fund to the date of the final distribution following a winding up of the Fund.

7.3.9 Registry Maintenance Fee

Lowell has agreed to pay the Manager a registry maintenance fee, commencing at \$10,000 per annum, and indexed annually from 30 June 2013 to the greater of 3% or CPI. Each Unit Holder pays a portion of this fee, calculated as the percentage of Units held by the member against the total Units on issue. An example is given in the table at 7.4 below.

If the Manager's appointment is terminated, a registry maintenance fee will be payable to the responsible entity or an associate of Lowell or a third party for maintenance of the register of members for the Fund. Such fee will be commercially and reasonably appropriate in the circumstances and will be payable monthly in arrears from the Fund.

7.3.10 Deferred Management Fee

Lowell has agreed to pay the Manager a Deferred Management fee of \$125,000 to be indexed. This amount is paid in addition to other fees payable to the Manager. The deferred management fee is compensation for the manager's risk in entry into the Management Services contract at competitive commercial rates.

7.3.11 Transactional and Operational Costs

Lowell will pay the following one-off costs:

- (a) for obtaining Grower Approval for the Land Transaction and Grower Finance, being \$500,000.
- (b) for the Land Transaction, being \$600,000 (excluding tax and duty); and
- (c) for the Offer and debt finance, which are expected to be approximately \$600,000.

Unit Holders will have a right to request redemption of Units while the Fund is liquid. Under the

Constitution, the RE may determine a redemption provision to allow for costs and disbursements, commissions, expenses, legal fees, brokerage, stamp duty, tax and other costs that may be incurred or are expected to be incurred in connection with the realisation and conversion into cash of Scheme Property or the valuation and transfer of Scheme Property to satisfy a particular redemption request.

The redemption provision will be applied to the amount that would otherwise be payable to a Unit Holder making a redemption request for the redemption of their units. This aims to ensure that other Unit Holders are not impacted by the transaction costs associated with the redemption of units from the Fund by a particular Unit Holder.

The redemption provision is an additional cost to you. However, it is not a fee paid to Lowell Capital and is retained in the Fund to cover the actual transaction costs incurred.

7.3.12 Indirect Cost Ratio (ICR)

The ICR is a measure of the ongoing fees and costs (**Management Costs**) you can expect to pay if you invest in the Fund.

The ICR includes investment management fees and other expenses, but excludes:

- (a) direct costs, that you would incur if you invested directly in the underlying asset (e.g. the property management fee); and
- (b) Fund transaction costs (such as the stamp duty on the purchase of any property investment) that would be incurred by someone investing directly in the underlying assets, as these expenses are built into the price of the asset purchased or sold and are, therefore, borne by the Fund.

The ICR (inclusive of GST and net of any applicable Reduced Input Tax Credits) for the Fund is expected to be 2.1%.

Costs for FY2013 are budgeted to be \$210,000.

Asset Valuation is estimated to be \$10,000,000.

7.3.13 Taxes

Tax information is set out in Section 8 of this PDS.

7.4. Example of Annual Fees & Costs

The worked examples in this section are illustrative only.

This table gives an example of how fees and costs for this product can affect your investment over a one year period.

You should use this table to compare this product with other managed investment products.

Example		Balance of \$50,000
Contribution Fee		Not applicable
PLUS Management Costs	\$31.50 per unit	And , for every \$50,000 you have in the fund you will be charged \$4,200 per year.
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year you would be charged fees of \$4,200 .

Additional fees may apply:

Unit registration/transfer fee - \$50.

Notes

- 1 This example is based on achieving a subscription in the Fund of \$2,500,000. If the subscription amount is higher, the annual contribution (or management costs) per Unit will be lower. For example, if there is a full subscription of \$4,000,000 the annual contribution would be \$19.70 per Unit. If the subscription amount is lower, the annual contribution per Unit would be higher. For example, if there is a subscription of \$1,500,000 the annual contribution would be \$52.50 per Unit. Refer to section 3 for information about these scenarios.
- 2 Please note that it will not be possible to acquire Units after 30 June 2012 and, therefore, "Contribution Fee" not relevant for your investment.
- 3 We have assumed a constant value of \$50,000 for the whole year and the calculations are based on fees payable in the first year of the Fund's operation. The indexation of management costs will be first applied on amounts payable by 30 June 2013.

8. Taxation

The following is a summary of the Australian income tax implications of an investment in the Units and is based on the income tax law as at the date of this PDS. We recommend that you consult your own professional advisor as the summary contained in this section is necessarily general in nature. Each investor's taxation position will depend on their individual circumstances.

It should be noted that taxation laws can change at any time and such change may have adverse taxation consequences on the Unit Holders concerned. The taxation position for Unit Holders and the Fund are discussed separately below.

8.1. Taxation – The Fund and distributions

The Fund will be taxed as a company because it is not expected to receive rental income until the trees on the Properties are harvested. This will ultimately impact upon returns to Unit Holders. The tax treatment of the Fund can change from year to year.

At commencement, the Fund is to be taxed as a company and therefore any distributions would be made on an after tax basis. Distributions paid by the Fund will be franked to an appropriate extent having regard to available franking credits. Lowell will provide Unit Holders with the appropriate documentation showing franking details. It is expected that this will be done annually, after each 30 June, in respect of all distributions paid in the year ended on that 30 June.

While the Fund is taxed as a company, the precise manner of application of the franking provisions to the Fund depends on whether the Fund is treated as a "public company" or a "private company" under tax law. Lowell expects the Fund to be taxed as a "private company", and the comments of this section 8.1 are made on that basis.

Lowell will inform Unit Holders if the taxation status of the Fund changes

8.2. Taxation Implications of investing

The taxation information that follows is of necessity general in nature. The tax implications for Unit

Holders may differ depending on their individual circumstances. In particular, the information may not apply to a Unit Holder who is regarded as a trader or who holds Units as part of a business activity. Accordingly, Unit Holders are advised to seek professional tax advice in relation to their own positions. This Section is not, and is not intended to be, taxation advice to any applicant for Units.

8.3. Australian resident Unit Holders

The comments in this part 8.3 assume that a Unit Holder is an Australian resident for tax purposes and is an individual or company which holds its investments in the Fund on capital account or it a complying superannuation fund. Where the comments refer to any amount being included in the cost base of a Unit for capital gains tax purposes, the amount so included should be net of any reduced input tax credit which the Unit Holder received for that amount.

(a) Income Distribution

For Unit Holders who are individuals, complying superannuation funds, or companies, a distribution received will be included in assessable income. Where the distribution is partly or wholly franked, the amount received will be grossed up to reflect the level of franking. A tax offset equal to the gross-up will be available to offset the tax otherwise payable on the Unit Holder's taxable income. An individual or a complying superannuation fund will be entitled to a tax refund to the extent that the tax offsets exceed the total tax payable on its taxable income. A company will be able to convert any such excess into an equivalent grossed-up tax loss available for carry forward. A company will also obtain a franking credit in its franking account for an amount equal to the gross-up.

(b) Sale of Units

Where a Unit Holder sells Units, a capital gain or loss may arise for capital gains tax purposes. The gain or loss would be expected to be the difference between:

- (i) the sale price; and
- (ii) the Unit Holder's application monies (where the Units were issued to the Unit Holder, the Unit Holder's purchase price and purchase fee (where the Units were transferred to the Unit Holder by Lowell), or the Unit Holder's purchase price plus the transfer fee (where the Unit Holder purchased the Units from someone other than Lowell). Costs relevant to selling Units (being the transfer fee) may also be included.

Where relevant, individuals and complying superannuation funds may be eligible to have any gain discounted for capital gains tax purposes (by one-half and one-third respectively).

(c) Redemption of Units

If Units are redeemed they will be redeemed at Net Scheme Value. The redemption price of a Unit will be treated as disposal proceeds for capital gains tax purposes. Certain provisions in the tax law can, in appropriate cases, treat part of an amount

received upon redemption as an unfranked dividend. Lowell does not expect those provisions to operate in relation to Units in the Fund.

A capital gain or loss may arise for capital gains tax purposes on a redemption of a Unit, expected to be calculated as the difference between:

- (i) The redemption price; and
- (ii) the sum of the redemption fee and the Unit Holder's application monies (where the Units were issued to the Unit Holder), the sum of the redemption fee and the Unit Holder's purchase price and purchase fee (where the Unit Holder purchased the Units from Lowell), or the sum of the redemption fee and the Unit Holder's purchase price and transfer fee (where the Unit Holder purchased the Units from someone other than Lowell).

(d) Imputation benefits.

Unit Holders will be subject to the same rules as shareholders in companies in relation to qualifying for the franking benefits described above.

8.4. Non-resident Unit Holders

Unit Holders who are not residents of Australia for tax purposes will be liable to Australian dividend withholding tax on any part of their distribution which is neither fully franked nor paid out of the Fund's foreign dividend account. The rate of tax is 15% in the case of the residents of most countries with which Australia has double taxation agreement and 30% in the case of residents of countries with which Australia does not have any such agreement.

8.5. Goods and Services Tax (GST)

GST will generally be incurred on each of the fees and charges that apply to the Fund. GST for which the Fund is liable in respect of any matters arising under the Constitution including the performance of any obligations, will be deducted from the assets of the Fund. In specified circumstances, the Fund may receive a credit from the Australian Taxation Office of 75% of the GST amount paid. Any of these payments and credits will be reflected in the unit price of the Fund.

9. Material Documents

9.1. Summary

The following is a summary of material documents relating to the Fund. This summary is not exhaustive and you should refer to (and the following is subject to) the Constitution, Corporations Act, and the general law for further information about the rights attaching to Units.

The actual terms of the relevant document will prevail over this summary if there is any inconsistency. The summaries are not exhaustive, as many of the documents are lengthy and complex in nature.

CONTRACT	PARTIES	PURPOSE	SECTION
Fund Establishment			
Constitution	Lowell and the Unit Holders	Sets out rights and obligations of the relevant trustee (Lowell) and beneficiaries (Unit	Section 9.2

		Holders)	
Compliance Plan	Lowell	Sets out the compliance arrangements and measures of Lowell in line with s601HA of the Act.	Section 9.3
Property Management			
Leases	GSHVTPL and GSMAL (once registered will be GSHVTPL and Lowell as responsible entity of the HVT Projects). If the purchase completes, the Custodian will own the land and be the Lessor.	Sets out the agreement by the Lessor granting the Lessee a lease over the Core Plantation Properties for the purpose of planting, tending and harvesting a high value timber plantation for commercial wood production.	Section 9.4
Management Agreement	Lowell and the Manager	Sets out the management services that the Manager will provide to Lowell.	Section 9.5
Custody Agreement	The Custodian and Lowell	Sets out that the Custodian will hold the assets of the Fund on trust for Lowell.	Section 9.6
Property Agreements			
Asset Sale Agreement	GSHVTPL and GSMAL and Lowell as responsible entity for the HVT Projects	Sets out the agreement of GSHVTPL to sell and Lowell as responsible entity of the Fund to buy the Core Plantation Properties.	Section 9.7

9.2. The Constitution

The Fund is governed by a constitution dated 8 November 2011. The Fund is governed by the Constitution and the Corporations Act. The Constitution and any amendments to it have been lodged with ASIC. The Constitution contains provisions relating to:

- the rights and obligations of Unit Holders and of Lowell acting as the responsible entity;
- the commencement of the Fund;
- the offer of Units;
- the rights and obligations attaching to Units (more information about contribution payments and forfeiture is set out in section 9.2.1 below);
- the method for calculating the issue price and withdrawal price;
- the fees and expenses that Lowell is entitled to recover from the Fund (more information on the fees is set out in section 7;
- Lowell's rights to invest, borrow and grant security over the Fund's assets;
- the voting rights of Unit Holders;
- distributions of income and capital;
- the transfer and valuation of Units;
- the role of the IRC;
- complaints handling procedures; and
- the liability of Unit Holders (which is limited to the Issue Price of Units held by the Unit Holder, plus contribution payments in respect of those Units, unless Lowell incurs a liability for tax as a result of the Unit Holder's action or inaction).

9.2.1 Contributions and forfeiture

Lowell can make a call on a member to contribute cash to the Fund and each member must pay the contribution. Where the contributions remain unpaid by the required date, interest accrues. If all or part of a contribution is not paid by the required date, Lowell may apply any amount payable to the member to pay amounts unpaid under the contribution. Units may be forfeited where a member does not comply with a forfeiture notice. Lowell may sell the forfeited unit. A member whose units have been forfeited ceases to be a member of the Fund, however the member remains liable for satisfying the call, all costs and interest. If Lowell has appointed an underwriter to underwrite the payment of contributions and the underwriter has purchased forfeited units for an amount equal to the contributions and the unit value on the day of the purchase is less than the contributions and Lowell is liable to the underwriter, then the former member whose units have been forfeited may be sued for the difference between the contributions and unit value, interests and all costs and expenses.

9.2.2 Limitation on responsible entity's liability

Without limiting its liability under the Corporations Act, if Lowell acts in good faith and without negligence, it is not liable in contract, tort or otherwise to Unit Holders for any loss or damage suffered in any way relating to the Fund.

9.2.3 Indemnities

Lowell is to be indemnified out of Fund property for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.

9.2.4 Termination of the Fund

On termination of the Fund, Lowell must wind up the Fund in accordance with the procedure set out in the Constitution or any court orders under the Corporations Act. To wind up the Fund, Lowell must liquidate the Fund property and pay expenses of winding up, pay all other fees, expenses and liabilities of the Fund, pay any preferential payments to Unit Holders in accordance with class rights and, subject to class rights, distribute the balance to Unit Holders in proportion to the number of fully paid units held by them.

A copy of the Constitution and the compliance plan relating to the Fund, have been lodged with ASIC and may be viewed or a copy obtained from any ASIC office. A copy is also available from Lowell Capital Limited, 8 Chapel Street, Richmond, VIC 3121 or by writing to Lowell Capital Limited at 8 Chapel Street, Richmond, VIC 3121, or by telephoning 08 87242400 during normal business hours.

9.3. Compliance plan

A compliance plan has been approved by the Board for the Fund which sets out operating procedures under the Constitution and Corporations Act and the process by which the compliance committee oversees the Fund's compliance.

A copy of the Fund's compliance plan has been lodged with ASIC and may be viewed or a copy obtained from any ASIC office. A copy is also available by contacting Lowell during normal business hours on any of the contact details set out in the Corporate Directory of this PDS.

Important features of the compliance plan include:

9.3.5 Compliance program

The Board is directly responsible for compliance matters. As a committee of the Board, the Compliance Committee assists the Board with the compliance function. The compliance plan sets out the structure of the compliance framework including any functions which Lowell outsources. The compliance plan sets out the duties and responsibilities of Lowell as responsible entity, the Compliance Manager and the compliance plan Auditor.

9.3.6 Role of Compliance Committee

The Compliance Committee's role is to ensure compliance with the Fund's Constitution and compliance plan. The Compliance Committee consists of at least three members, being a minimum of two external members, one of whom will be the Chairperson, and may include an Executive Director of the responsible entity. The Board has adopted terms of reference for the Compliance Committee and each member of the Compliance Committee has entered into a service agreement with Lowell as responsible entity. The Compliance Committee meets at least 4 times each calendar year, unless agreed otherwise, and will report to the Board on compliance matters.

9.3.7 Compliance plan requirements

The compliance plan sets out a table of requirements including the source for compliance, the compliance measure, the responsible person for monitoring compliance and the frequency. The compliance requirements encompass:

- (a) General requirements;
- (b) Compliance plan audit requirements;
- (c) Product distribution;
- (d) Investment management;
- (e) Trust operations and client services;
- (f) Accounting and finance;
- (g) Scheme assets;
- (h) Appointment and monitoring of custodian;
- (i) The Constitution;
- (j) AFSL including breaches;
- (k) Compliance committee;
- (l) External service providers;
- (m) Education and training;
- (n) Complaints handling;
- (o) Record keeping;
- (p) Risk management;

9.4. Leases

Properties

The Properties are currently subject to lease agreements between Great Southern HVT Holdings Limited ACN 123 433 778 (In Liquidation) (**Lessor**) and Lowell Capital Limited ACN 006 844 588 in its capacity as responsible entity for the relevant HVT Project (**Lessee**).

The Custodian will become the Lessor upon completion of the Land Transaction.

However in order to ensure the mortgagee's security has priority on the register, three steps will occur:

1. The Custodian will terminate and the RE of the HVT Projects will agree to surrender the Head Leases.
2. The Custodian will grant a mortgage to the Lender to be registered on unencumbered title with a first ranking priority over the Head Leases;
3. The Custodian will grant new Head Leases to the RE of the HVT Projects as Lessee registered in favour of the HVT Projects that will terminate and have no force and effect if there is an event of default under the mortgage.

The operative provisions of each lease over the subject land will be identical, save that:

- (a) the particulars and commercial terms are different for each lease;
- (b) the rent payable under each lease varies across the leases between:
 - (i) the amount equal to 2.5% of the net proceeds of harvest paid to the Lessee by a grower pursuant to a forest right agreement or sublease (as the case may be) relating to the subject land, payable on receipt of that fee from the grower; or
 - (ii) a combination of (i) and the amount of \$180 per hectare of the plantable area payable on the commencement date of each lease;
- (c) under the leases affecting land situated in Queensland and Northern Territory, the Lessee grants certain rights over the subject land to Growers pursuant to the Project by means of a forest rights agreement; and

There are encumbrances affecting the titles to the Properties. Some of the Properties are encumbered by:

- (a) a road licence, which restricts the relevant Property from being transferred other than together with the road licence; and
- (b) a statutory charge in favour of the Commissioner of State Revenue under section 60 of the *Land Tax Act 2010 (QLD)*, for the payment of land tax.

Lease transfer instruments have been prepared for each lease proposed to be transferred under the Offer and are currently in registrable form.

Upon the Offer being fully subscribed and the Properties acquired by The Trust Company (Australia) Limited (**Custodian**), the Custodian will become the registered owner and Lessor of the Properties.

Under the respective leases, the Lessor will grant a lease to the Lessee, the material terms of which are set out below. For the purposes of the summary, reference is made to one lease, as if referring to all leases:

- (a) the Lessor will grant the Lessee a lease over the whole of the land for the purpose of planting, tending and harvesting a high value timber plantation for commercial wood production (**Harvesting**);
- (b) the term of the lease will be 17 years (**Term**);
- (c) there is no option for the Lessee to renew the lease after expiration of the Term;
- (d) Under the lease, the Lessee will at all times during the Term:
 - (i) pay rent to the Lessor in the manner and amounts specified in the lease;
 - (ii) establish, tend and manage the plantation crop in a proper and skilful

manner and in accordance with sound silvicultural and environmental practices adopted within the forestry industry;

- (iii) comply with and obey all applicable legislation in respect of the use and occupation of the subject land;
 - (iv) repair promptly all damage done to any roads, tracks or fences on the subject land resulting from the actions of the Lessee;
 - (v) not cut down, remove, damage or destroy any native vegetation upon the Subject land without the separate consent of the Lessor;
 - (vi) prevent or combat subject land degradation, not erect any buildings, structures or dwellings other than for the bone fide management of the plantations;
 - (vii) use all reasonable care to avoid causing any unreasonable interference to the operations of the owner or occupier of neighbouring subject land;
 - (viii) at the expiry of the Term, leave all stumps, roads and tracks on the subject land and such roads and tracks on neighbouring land as built or constructed;
- (e) Under the lease, the Lessor will:
- (i) subject to its own right under the Leases to enter upon the Subject land for the purpose of carrying out its duties and obligations under the Leases, permit the Lessee to peaceably and quietly hold and enjoy the use of the subject land during the Term;
 - (ii) from the commencement date, maintain fences as the Lessee believes are reasonably necessary to prevent livestock from straying into the plantations;
 - (iii) duly and punctually pay all rates, taxes and other charges levied on the Lessor in respect of the subject land;
 - (iv) allow the Lessee and its contractors free access to the subject land including along any road or track over neighbouring land which the Lessor is lawfully able to use which gives access to and from the subject land to a public road;
 - (v) comply with and obey all applicable legislation in respect of the use and occupation of neighbouring land occupied by the Lessor;
 - (vi) not light any fires on the subject land at any time during the Term, except without express approval of the Lessee;

- (vii) promptly notify the Lessee of any fire in the vicinity of the subject land which may threaten the plantation crop or any notice (issued pursuant to applicable legislation) received by the Lessor from the owner or occupier of any neighbouring land;
- (f) Under the lease, the Lessor and Lessee mutually agree that, at any time during the Term:
- (i) neither will do or permit anything to be done on the subject land that may prejudice or render void or voidable, any insurances in respect of the subject land;
 - (ii) neither will store or use chemical, inflammable, noxious or dangerous substances on the Subject land in a manner which may be likely to result in damage to the plantation crop, vegetation, livestock, crops or water reserves on the Subject land or on neighbouring land;
 - (iii) the Lessee may construct and maintain such roads and tracks on the subject land as required to provide access to the subject land in positions agreed by the Lessor, to provide access for the purpose of harvesting and related purposes;
 - (iv) for the purposes of constructing and maintaining roads and tracks, the Lessee is entitled at no charge, to take and use materials available from the subject land or neighbouring land (as agreed by the Lessor) in quantities as may be reasonably required by the Lessee, provided that the Lessee returns the surface of the land to an appearance as near as possible to the surrounding land;
 - (v) the Lessee may, at its own cost and expense, to padlock gates on roads and tracks entering the subject land to prevent trespassers entering on the subject land;
 - (vi) the Lessee may graze livestock on the subject land to reduce any fire hazard which may be caused by grass growing on the subject land, provided such grazing will not cause damage to the plantation crop;
 - (vii) the Lessee, at its own cost, may erect a sign on the subject land to readily identify the plantation crop;
 - (viii) unless the lease is terminated in accordance with the provisions of the lease, the Lessee will not be required to remove any stumps from the subject land or remove any roads or tracks constructed in accordance with the provisions of the lease (or pay the costs associated with doing so);
- (ix) the plantation crop is and will remain the property of the Lessee until the expiry or termination of the lease, and the Lessor is legally entitled to such trees, wood (from the plantation crop) or other vegetation not harvested and to all plant, equipment, implements and other things brought onto the subject land by the Lessee and not removed within 3 months after the expiry or termination of the lease;
 - (x) either party to the lease may assign its rights under the lease provided that the transferring party complies with the procedure set out in the lease;
 - (xi) the Lessee may sublease, grant licences or other interests over the subject land without the prior consent of the Lessor provided the grant of a right or interest over the subject land does not relieve the Lessee of any of its obligations under the lease;
 - (xii) the Lessee may, or permit third parties to grow crops on any part of the subject land that does not interfere with, or cause damage to the plantation crop.
- (g) Where the plantation crop is damaged (by any cause) or the Lessee, in its reasonable opinion, determines that it is no longer commercially viable to continue to operate all or any portion of the plantation crop, the Lessee is entitled to terminate the lease or partially surrender the lease over that part of the land on which the plantation crop has been damaged or the Lessee determines is no longer commercially viable, provided the Lessee first complies with the procedure set out in the lease;
- (h) If the lease is terminated or partially surrendered over the non-viable portion of the subject land, the Lessee must (if directed by the Lessor),
- (i) in the case of termination of the lease:
 - (A) harvest and remove all stumps, wood and debris from the subject land; and
 - (B) re-seed the subject land to pasture; or
 - (ii) in the case of partial surrender of the lease:
 - (A) harvest and remove all stumps, wood and debris from the subject land;
 - (B) fence the non-viable portion off from the remaining land;
 - (C) re-seed the non-viable portion to pasture; and

- (D) if the Lessor does not have direct access to the non-viable portion other than through the remaining leased land, provide the Lessor with access to the non-viable portion of the land.
- (i) Despite any other provision of the lease, the Lessee may terminate the lease on completion of Harvesting, or within 1 month of notifying the Lessor in writing (whichever is the later).
- (j) The rights of the Lessor and Lessee under the lease are subject to any mining tenement or petroleum tenement granted over all or part of the subject land at any time during the Term.
- (k) The parties will acknowledge that:
 - (i) the Lessor has granted a mortgage to the Mortgagee which ranks in priority to this lease (Mortgage); and
 - (ii) this lease terminates automatically on the occurrence of a default by the Lessor under the Mortgage which entitles the Mortgagee to exercise a power of sale under the Mortgage and the Mortgagee is entitled to sell the Land free of this lease.
- (l) Where, under the lease, the doing or executing of any act, matter or thing by the lessee depends on the consent or approval of the Lessor, then:
 - (i) the Lessee must also obtain the consent or approval of the Lessor's mortgagee;
 - (ii) the consent or approval of the Lessor will not be deemed to be unreasonably withheld if the consent or approval of the Lessor's mortgagee is not given; and
 - (iii) the Lessee must pay the Lessor any fees payable by the Lessor under the mortgage in connection with obtaining the relevant consent or approval of the Lessor's mortgagee.

9.5. Management Agreement

Lowell has appointed the Manager to provide management services in relation to the Fund on the terms and conditions in the Management Agreement.

Services

The Manager must provide funds management, property management, registry services and other services to Lowell in relation to the Fund. Key services include assisting Lowell in relation to:

- investment management;
- capital management;
- treasury, audit and ongoing disclosure;
- supervising Lowell and AMAT's compliance with the Lessee's obligations;

- procuring property valuations on Lowell's behalf;
- other services as agreed between the parties from time to time.

Lowell remains responsible to Unit Holders for the provision of all services performed by the Manager.

Management fees and expenses

Lowell must pay the Manager the fees and also meet the expenses incurred on its behalf in connection with the services under the Management Agreement, which include acquisition, disposal, valuation, insurance, custody, project management, leasing and any other dealing with assets. The Manager's fees are disclosed in section 7. Lowell must pay the Manager:

- (a) the Funds Management Services Fee on a monthly in arrears basis, within 14 days of being invoiced;
- (b) the Property Management Fee on a monthly in arrears basis, within 14 days of being invoiced;
- (c) the Registry Services Fee on a monthly in arrears basis, within 14 days of being invoiced;
- (d) the Deferred Fee upon termination of the Fund in accordance with the Constitution; and
- (e) any Additional Services Fee for any other services as agreed between Lowell and the Manager from time to time.

These fees and costs are an expense of the Fund and Lowell will pay them from the Fund.

Reporting

The Manager must provide Lowell with all information necessary to allow it to satisfy its obligations to Unit Holders.

The Manager will report to Lowell as soon as practicable with any information that would be expected to have a material adverse effect on the value of any of the Fund's assets at any time.

Term

The term of the Management Agreement is for 4 years, and will automatically be renewed for further terms of 4 years unless either party terminates the Management Agreement earlier in accordance with the terms of the Management Agreement, or the Fund terminates. Lowell may terminate the Manager's appointment if:

- there is an insolvency event in respect of the Manager;
- the Manager is in material default of its obligations under the Management Agreement and has not remedied the default upon notice; or
- the Manager acts fraudulently in performing its duties under the Management Agreement;

- Lowell gives notice to the Manager at least 12 months before the end of a relevant term (being 4 years).
- The characteristics of the Fund change materially and the parties agree to end the Agreement

Liability of the Manager

Neither the Manager nor any of its directors, officers, employees or agents is responsible to Lowell for the financial performance of an asset or for acting or refraining from acting in accordance with Lowell's instructions, except to the extent that it is negligent or fraudulent or engages in wilful misconduct.

Exclusivity

The Manager will be free to manage other assets during the term of the Management Agreement and provide similar services to other parties.

9.6. Custody Agreement

The Trust Company (Australia) Limited ACN 000 000 993 has been appointed as an independent custodian to hold all the assets of the Trust on behalf of unit holders. The responsibilities of the Custodian include entering:

- into Contracts or effecting transactions in relation to the Assets of the Trust, on the Responsible Entity's behalf;
- hold Assets of the Trust on the Responsible Entity's behalf;
- open and maintain Bank Accounts to hold moneys of the Trust, including:
 - Cash;
 - application moneys; and
 - Rent and other income of the Trust;
- provide Security Interests in respect of the Assets of the Trust;
- Lowell retains the discretion to appoint or replace the Custodian from time to time.

9.7. Asset Sale Agreement

On 7 October 2011, Great Southern HVT Holdings Pty Ltd (in liquidation) (**Seller**), GSMAL, Lowell Capital Limited in its capacity as responsible entity of the 2007 HVT Projects; and the Liquidators of the Seller and GSMAL entered into an Asset Sale Agreement (**ASA**) in respect to the sale and purchase of the Properties. On 9 December 2011, Lowell in its capacity as responsible entity of the Fund became a party to the ASA, agreeing to purchase the Properties on the terms and conditions set out in the ASA.

Completion of the ASA was subject to a number of conditions being fulfilled. The one remaining condition is that Lowell raises the funds to pay the purchase price. This has now been extended to 2 July 2012.

In consideration for the purchase of the Properties, Lowell has agreed to pay \$2,340,000 to the Seller. Lowell has agreed to pay some additional amounts to the Liquidator in consideration for extensions it has granted to satisfy the fund raising condition.

Under the ASA, Lowell has released the Seller and GSMAL from any claims it may have in its capacity as responsible entity of the Fund relating to the Properties or the Head Leases and indemnifies the Seller and GSMAL against any liabilities arising in relation to the Head Leases occurring on or after Completion.

10. Additional Information

Real Management Services Pty Ltd has consented to being named in this PDS in the form and context in which it is named, and has not withdrawn its consent before the date of this PDS. Real Management Services Pty Ltd has not authorised or caused the issue of this PDS and takes no responsibility for any part of this PDS other than references to its name.

The Trust Company (Australia) Limited has consented to being named in this PDS in the form and context in which it is named, and has not withdrawn its consent before the date of this PDS. The Trust Company (Australia) Limited has not authorised or caused the issue of this PDS and takes no responsibility for any part of this PDS other than references to its name. The Trust Company (Australia) Limited does not make any representations as to the trust or accuracy of the contents of this PDS other than references to its name. The Trust Company (Australia) Limited does not make any representation regarding, or accept any responsibility for, any statements or omissions in or from any other part of this PDS. The Trust Company (Australia) Limited does not make any representation as to the performance of the Units, the maintenance of capital or any particular rate of return.

10.1. Disclosure of directors' interests

Lowell has established procedures to ensure that any conflict of interest in respect of the directors is disclosed and appropriately dealt with. Any changes to a director's interests is disclosed at the next available Board meeting and reviewed by all Board members against the conflicts of interest policy to ensure that conflicts are appropriately managed and, if necessary, avoided.

Michael Ramsden, a director of Lowell, has interests in:

- Terrain Capital Limited. Terrain will receive \$60,000 for providing advisory services to Lowell in relation to establishment of the Fund.
- African Mahogany Australia Pty Ltd
- AMA Teak Pty Ltd. AMA Teak Pty Ltd is the forestry manager of the HVT Projects. Its performance in this role may impact upon rent payable to the Fund.

Don Carroll, a director of Lowell, has interests in:

- Terrain Capital Limited

10.2. Related party transactions

As at the date of this PDS, all Properties to be purchased by the Fund are leased to Lowell as the responsible entity of the HVT Projects.

As at the date of this PDS, it is anticipated that the Fund may sell, lease or encumber Properties to related parties of Lowell. As such it is likely that from time to time conflicts of interests may arise between the interests of the Fund and those of the Lessee. For transactions involving buying, selling, leasing or encumbering Properties, the IRC will review such proposed transactions.

The objective of the Fund is to purchase Properties which the plantations of the HVT Projects are being grown. This means that Lowell may transact with related parties including:

- acquiring or disposing of interests in the Fund by another scheme operated by Lowell;
- leasing or disposing of Properties to related parties;
- borrowing from related parties;
- other transactions,

in addition to those disclosed elsewhere in this PDS.

In all cases where the Fund transacts with a related entity, it will either conduct the transaction on commercial terms and at arm's length, that is, on terms and conditions no more favourable than would apply if the other party were not a related party of Lowell, or the Manager will obtain the prior approval of Unit Holders. In general terms, "arm's length" terms and conditions will be determined in accordance with ASIC Regulatory Guide 76 *Related Party Transactions*.

10.3. Ongoing Disclosure

If there are more than 100 Unit Holders in the Fund, the Fund will be a disclosing entity under the Corporations Act and as such the Fund will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC may be viewed on Lowell's website www.lowellcapital.com.au, obtained from or inspected at an ASIC office, or obtained from Lowell free of charge upon request.

You can request from Lowell, in writing, a copy of the Fund's:

- (a) annual financial report most recently lodged with ASIC. As at the date of this PDS no annual financial report had been lodged with ASIC;
- (b) any half-year financial reports lodged with ASIC by the scheme after the lodgement of that annual financial report and before the date of this PDS; or

- (c) any continuous disclosure notices given by the Fund after the lodgement of that annual report and before the date of this PDS.

Throughout the life of the Fund, Lowell will maintain a register of Unit Holders at its office. The register may be inspected by any member of the public between the hours of 9.00am and 5.00pm, Monday to Friday (excluding public holidays).

10.4. Supplementary PDS

A Supplementary PDS will be issued if Lowell becomes aware of any of the following matters between the issue of this PDS and the date the Units are issued:

- (a) a material statement in this PDS is misleading or deceptive;
- (b) there is a material omission from this PDS;
- (c) there has been a significant change affecting a matter included in this PDS; or
- (d) a significant new circumstance has arisen and it would have been required to be included in the PDS.

10.5. Labour standards, and environmental, social or ethical considerations

In view of the nature of investment in agribusiness properties, Lowell will not take into account labor standards, or social or ethical considerations in selecting, retaining or realizing investments for the Fund. Environmental issues will be taken into account as part of normal property due diligence. As responsible entity, Lowell will act in the best interests of Unit Holders and will at all times seek to deal with Unit Holders and all persons associated with the Fund in a fair and ethical manner.

Lowell appreciates that native vegetation is a valuable asset, and generally aims to retain this vegetation and existing community plantings in order to promote biodiversity and provide wildlife corridors.

10.6. Privacy

The information requested in the accompanying Application Form is used by Lowell for the primary purpose of establishing and administering your investment in the Fund.

You may request access to the information held by Lowell about you and your investment. It is your responsibility to advise Lowell of any changes to such information you have provided.

From time to time, Lowell may disclose your information (or parts thereof) to external parties who act on Lowell's behalf in the operation of its business. Lowell may also disclose your information to external parties on your behalf, such as your financial adviser, unless you have instructed otherwise.

Lowell and its related bodies corporate may use your information on occasion to advise you about other services or products offered by Lowell or its

related bodies corporate, but you may elect to stop receiving such information at any time.

if you have any queries regarding our Privacy Policy.

Please contact Lowell on 08 8724 2400, if you wish to update or request access to your information or

11. Glossary

The following terms are used in this PDS:

AFSL	Australian financial services licence.
Allotment	The issue of Units following the Closing Date.
AMAT	AMA Teak Pty Ltd ACN 141 122 652
Applicant	A person who applies to subscribe for Units Offered under this PDS.
ASIC	Australian Securities and Investments Commission.
Associated Entities	Has the meaning given to it in the Corporations Act.
ATO	Australian Taxation Office.
Board	The board of directors of Lowell.
Closing Date	26 June 2012 or such a date as Lowell may determine.
Compliance Manager	The person nominated from time to time by Lowell to fulfil this role.
Constitution	The constitution of the Lowell Capital Limited – HVT Land Scheme ARSN 154 154 033.
Corporations Act	Corporations Act 2001 (Cth).
CPI	The annual Consumer Price Index All Groups Weighted Average for the Eight Capital Cities last published by the Australian Bureau of Statistics before 30 June in every year, commencing in 2013.
Custodian	The Trust Company (Australia) Limited ACN 000 000 993.
Debt Facility	The debt facility being negotiated between Lowell and the Lender.
Directors	The directors of Lowell.
Fund	The Lowell Capital Limited – HVT Land Scheme ARSN 154 154 033.
Grower	A member of the HVT Projects.
GSHVTPL	Great Southern HVT Holdings Pty Ltd (In liquidation) ACN 123 433 778.
GSMAL	Great Southern Managers Australia Limited (Receivers and Managers Appointed)(In liquidation) ACN 083 825 405.
GST	Goods and services tax.

HVT Projects	Great Southern 2007 High Value Timber Project ARSN 123 528 950 and Great Southern 2008 High Value Timber Project ARSN 123 529 233, and HVT Project means one of these, as applicable.
IRC	Investment Review Committee.
Issue Price	\$375 per Unit.
ITAA	Income Tax Assessment Act of 1936 and 1997 (Cth).
Lender	Balanced Securities Limited ACN 083 514 685.
Lessee	Lowell Capital Limited as responsible entity for the HVT Projects.
Lessor	GSHVTPL and from completion of the Land Transaction, the Custodian.
Liquidators	Martin Bruce Jones, Andrew John Saker, Darren Gordon Weaver and James Henry Stewart in their capacity as liquidators of GSHVTPL and GSMAL.
Lowell	Lowell Capital Limited ACN 006 844 588 in its capacity as responsible entity for the Fund, unless otherwise specified.
Management Agreement	The agreement under which the Manager is to provide the management services described in sections 4.6 and 9.5.
Manager	Real Management Services Pty Ltd ACN 121 786 712.
Net Proceeds of Sale	Has the meaning given in the constitution of the HVT Projects.
Net Scheme Value	Has the meaning given in the Constitution.
Offer	The offer of Units under this PDS.
Offer Period	The period from the Offer Opening Date until the Offer Closing Date.
Offer Proceeds	Funds raised under the Offer.
Opening Date	29 May 2012.
Option Assets	College Farm as described in section 2.3.
PDS	This product disclosure statement.
Plantation Produce	The Value of the trees grown on the Properties.
Properties	The properties owned by the Fund from time to time. The properties owned at the date of this PDS are listed at section 2.
Land Transaction	The acquisition of the Properties and the purchase and on-sale of College Farm described in sections 2.1 and 2.3.
Receivers and Managers	James Gerard Thackray, Colin McIntosh Nicol, Anthony Gregory McGrath, Shaun Robert Fraser and Murray Campbell Smith in their capacity as receivers and managers of GSMAL.

RG	ASIC Regulatory Guide.
Unit	Units in the Fund.
Unit Holder	Any person who is registered as holding a Unit in the Fund.
Woodlot	Any woodlot that issued under the relevant HVT Project.
You or Unit Holder	A person (or in the case of joint Applicants, those persons) who subscribe(s) for Units pursuant to an application under this PDS and who remain(s) the registered holder for the time being of any relevant Units; and the expression all Unit Holders means all persons who have so subscribed for Units under this PDS or previously, or have had Units transferred or transmitted to them, and remain the registered holders for the time being of any relevant Units.

12. Application Details

12.1. Applying for your investment

To invest, simply complete the following steps:

- (a) complete all relevant details on the Application Form (including identification requirements). See section 12.4 for more information about completing the Application Form;
- (b) sign and date the Application Form;
- (c) attach your cheque* to the Application Form;
- (d) send the completed Application Form and cheque* to:

Real Management Services Pty Ltd
PO Box 1621
Mount Gambier, SA 5290

Telephone: 08 8724 2400
Fax: 08 8724 7466
Email: hvtland@realmanagementservices.com.au

Please make cheques payable to:

**Trust Company (Australia) Limited ACF Lowell
Capital Limited – HVT Land Scheme**

Cheques should be crossed "Not Negotiable"

* Alternatively, you may elect to make your payment of application monies by EFT. Please complete the above steps but instead of attaching a cheque to your application:

For EFT applications, please send application monies to (NAB) account

BSB: 082-057

Account Number: 131-041-611

Account Name: The Trust Company (Australia)
Limited ACF Lowell Capital Limited.

Please ensure that you include the surname and initials (or company or trust name) in the EFT references field.

If making subsequent applications please quote your Holder Identification Number in the EFT references field.

12.2. Declaration

It is important that you read and understand this declaration and the information to which it refers. When signing the Application Form you are acknowledging, agreeing and consenting to the following:

- to be bound by the provisions of the Constitution as amended from time-to-time;
- that all details in the Application Form are true and correct;
- that Lowell will be entitled to deduct monies payable on withdrawal of any or all units on account of all taxes or duties paid or payable by them in respect of the investment application or withdrawal;
- for joint investors, to hold the units as joint tenants;
- that you have the legal authority to invest in the Fund;

12.5. Investment amount

Enter the number of Units you wish to apply for by entering the Issue Price in full.

- that you have read this PDS;
- that Lowell reserves the right to evaluate any application and to reject or scale back any or all applications submitted and it will be under no obligation to provide any reasons for a rejected application or an application that has been scaled back; and
- that any application is made at your sole risk and you agree to bear the full costs or expenses incurred in the application.

12.3. Handling of Applications

Pending the issue of Units, Application Monies will, from the time of receipt by the Custodian, be held in an account that complies with section 1017E of the Corporations Act. Lowell may accept any Application in full, allocate fewer Units than have been applied for (including less than the stated minimum number), or deny any Application.

To the extent that any Application is not satisfied in while, Application Monies held by the Custodian which have not been allocated will be refunded with any accrued interest. Statements of holdings will be forwarded to Applicants as soon as practicable after the Units are allocated to the Applicant.

12.4. Guide to the Application Form

Please complete all parts of the Application Form in block letters. The Application Form must be completed and payment made in accordance with the instructions set out in this PDS.

1. **HVT Project Growers.** Please write down your Grower Number.
2. **Investor Details.** All investors (individuals, trustees and companies) should complete this section. If your investment is as trustee for a trust or superannuation fund, please write the name of the Trust or superannuation fund in the space provided at the bottom of this question. If you are an adult investing for a child under 18, provide your personal details, not the child's. You may however write the words "as trustee" next to or below your name.
3. **Contact Details.** All investors should complete this section.
4. **Tax File Number.** You may enter the TFN is authorised by taxation laws. It is not compulsory to provide your TFN. However, if you do not do so, tax may be deducted from any distributions at the highest marginal tax rate plus levies. Please see note on the Application Form. You can give your ABN instead of your Tax File Number.

Lowell reserves the right to reject any Application Form, or to waive or correct any errors made by an Applicant in completing any Application Form.

Application Forms must be accompanied by a cheque in Australian dollars drawn on an Australian branch of an Australian bank. Cheques must be payable to Trust Company (Australia) Limited and crossed "Not Negotiable". All amounts must be in cleared funds. Please do not send cash. Receipts for payment will not be issued.

Your total investment amount must be indicated in whole dollar amounts and a minimum initial application of \$375, followed by increments of \$375.

12.6. Unit Holder details

You must enter the full name(s) and title(s) of all legal entities that are to be recorded as the registered holders. At least one full given name and surname is required for individuals. The name of the beneficiary or any other non-registrable name (e.g. superannuation fund name) may be included as an account name if completed as detailed in the table below.

12.7. Contact Details

You must provide a valid mailing address and email address (if available) for all future correspondence from us in relation to your holding in the Fund.

12.8. Declaration and signing

You must sign the form where indicated. If you are applying in joint names, all applicants must sign. If you are executing the form under a power of attorney, you must attach a certified copy of the power. If you are applying in a company name, you must execute the form in accordance with the company's constitution and the Corporations Act.

Type of unit holder	Instruction	Example of a correct form	Example of an incorrect form
Individuals	Give full name, not initials	JOHN SMITH	J Smith
Companies	Use company title, not abbreviations	ABC HOLDINGS PTY LTD	ABC HOLDINGS P/L
Trusts	Use name(s) of the trustee(s), not the name of the Trust	JOHN SMITH <SMITH FAMILY A/C>	John Smith Family Trust
Partnerships	Use personal name of partner, not the name of the partnership	EMMA SMITH ELIZABETH SMITH <EMMA & GRACE A/C>	Emma Grace & Elizabeth Smith
Superannuation funds	Use name(s) of trustee(s) following by account name, not the name of the fund	JOHN SMITH PTY LTD <SMITH SUPER FUND A/C>	John Smith Pty Ltd Superannuation Fund

12.9. Anti-Money Laundering

Lowell is required to collect certain customer identification information (and verify that information) in compliance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* and the Anti-Money Laundering and Counter-Terrorism Financing Rules before it can issue Units to the Applicant.

12.10. Supporting documents you must provide

You must complete and submit with your Application Form the relevant documents as follows:

NOTE: Where any required document provided is in a language that is not English, it must be accompanied by an English translation prepared by an accredited translator.

If you are investing as	Documents required to accompany the application form	Your investment must be in the name of	Additional requirements
Individual	<p>Certified copy of one “A” document, or one “B” and one “C” document.</p> <p>“A” documents:</p> <p>Current driver’s licence;</p> <p>Card issued under an Australian State or Territory for the purpose of providing a person’s age containing a photograph of the person; or</p> <p>Australian passport (current within the preceding 2 years);</p> <p>“B” documents:</p> <p>Birth certificate;</p> <p>Citizenship certificate; or</p> <p>Pension or health card from Centrelink.</p> <p>“C” documents: (containing name and residential address*):</p> <p>Notice from Commonwealth or State or Territory as evidence of entitlement to a financial benefit;</p> <p>Notice from Australian Tax Office recording a debt payable by or to ATO;</p> <p>Utilities or local government body notice (within preceding 3 months) e.g. rates notice, phone, gas or electricity bill; or</p> <p>Statement from bank or building society (within last 3 months).</p> <p>*Please note that residential address does not include a post office box</p>	The individual(s)	N/A
A trust	Certified copy of an extract of the trust deed identifying the name of the trust and the parties to the trust.	The trustee(s) as trustee for the name of the trust.	Trustee(s) who are individuals must provide documents as above for individuals. Trustee(s) which are companies must provide the additional information as noted above for companies.
A partnership	Partnership agreement or extract of partnership minutes.	The principals.	Partners who are individuals must provide documents as above for individuals.

Please contact us if you fall outside of the above categories for details of our requirements