

## Notice of Changes to the Tasmanian Perpetual Income Funds

Tasmanian Perpetual Trustees Limited is now known as TPT Wealth Limited (TPT Wealth). To reflect our new brand, TPT Wealth has changed the names of the Income Funds, and released a new Product Disclosure Statement (PDS) dated 2 December 2019, which you can find on our website [tptwealth.com.au](http://tptwealth.com.au).

TPT Wealth Limited (TPT Wealth) is Responsible Entity for the:

- TPT Fixed Term Fund (ARSN 093 458 256);
- TPT Long Term Fund (ARSN 093 255 791); and
- TPT Select Mortgage Fund (ARSN 089 139 382).

The PDS sets out how the Income Funds will operate going forward, which is different to how the Income Funds have operated in the past. This notice outlines for you the material changes included in the PDS.

### 1. Investment policy

To provide TPT Wealth with greater scope to diversify the Income Funds going forward, the Investment Policy has been amended:

#### New approach

Asset Type	Range	
	TPT Fixed Term Fund and TPT Long Term Fund	TPT Select Mortgage Fund
Cash & Shorter-term Fixed Interest	5% – 100%	5% – 100%
Longer-Term Fixed Interest	0% – 50%	0% – 50%
Residential Mortgage Backed Securities	0% – 25%	0% – 25%
Commercial Mortgage Backed Securities	0% – 20%	0% – 30%
Asset Backed Securities	0% – 20%	0% – 10%
External Managed Investment Schemes	0% – 20%	0% – 20%
Mortgages	20% – 80%	20% – 80%
Non-Mortgage Loans	0% – 5%	0% – 10%

#### Prior approach

Asset Type	Range
Cash & Shorter-Term Fixed Interest	5% – 100%
Longer-Term Fixed Interest	0% – 50%
Residential Mortgage Backed Securities	0% – 25%
Asset Backed Securities	0% – 10%
External Registered Managed Investment Schemes	0% – 20%
Mortgages	20% – 80%
Non-Mortgage Loans	0% – 5%

## 2. Mortgage partners

To allow TPT Wealth to achieve greater loan diversification and to partner with specialist lenders in certain areas, it has been decided to introduce additional sources of mortgages from mortgage partners.

### New approach

The Funds may gain exposure to mortgages via internal origination, assessment and approval channels or alternatively via Mortgage Partners who are external parties who may source, assess and originate mortgages on behalf of the Investment Manager. Such mortgages will conform to the lending policies of the relevant Income Fund. The Investment Manager will assess and analyse potential partners prior to establishing an arrangement, will monitor and review them on an ongoing basis and will require the Income Funds and/or internal trusts have a legally enforceable interest in the first registered mortgages consistent with its ownership of that mortgage. Mortgage Partners are a way for the Income Funds to gain additional asset exposure, to improve Fund diversity and to work with partners who specialise in certain types of lending.

### Prior approach

Mortgages were only used via internal origination, assessment and approval channels.

## 3. Lending policy

Mortgage lending criteria for the Fixed Term Fund and the Long Term Fund has been amended.

### New approach

The mortgage lending criteria for the Fixed Term and Long Term Funds is being changed as reflected by the items in bold below.

TPT Wealth will apply mortgage selection criteria including:

- a loan for income producing residential property will generally not exceed **80%** of a recent independent valuation at the time of the loan and is subject to proof of serviceability. In certain circumstances loans for residential property may exceed stated loan-to-valuation ratios due to:
  - serviceability; and
  - underlying marginal changes in the valuation of the property security;
- a loan for income producing commercial property will generally not exceed **75%** of a recent valuation at the time of the loan and is subject to proof of serviceability. In certain circumstances loans for commercial property may exceed stated loan-to-valuation ratios due to serviceability and/or other mitigating factors;

### Prior approach

TPT Wealth applies mortgage selection criteria including:

- a loan for income producing residential property will generally not exceed **65%** of a recent independent valuation at the time of the loan and is subject to proof of strong serviceability. In certain circumstances loans for residential property may exceed stated loan-to-valuation ratios due to:

- strong serviceability; and
- underlying marginal changes in the valuation of the property security;
- a loan for income producing commercial property will generally not exceed **65%** of a recent valuation at the time of the loan and is subject to proof of strong serviceability. In certain circumstances loans for commercial property may exceed stated loan-to-valuation ratios due to strong serviceability and/or other mitigating factors;

### New approach

All lending applications normally contain information for assessment on a number of criteria including:

- financial analysis of repayment and debt servicing capacity from a range of sources, which may include some or all of the following; historical financial statements (profit and loss, balance sheets), corporate structures (where appropriate), personal taxation returns, cash flow budgets, management accounts, current liability schedules, historical bank/loan statements, debtor and creditor statements, group certificates and recent pay slips, accountant certificates, business activity statements, leasing details, borrowers/guarantors declaration;

### Prior approach

All lending applications normally contain the following information for assessment:

- financial analysis of repayment and debt servicing capacity from a range of sources, which may include some or all of the following; historical financial statements (profit and loss, balance sheets), corporate structures (where appropriate), personal taxation returns, cash flow budgets, management accounts, current liability schedules, historical bank/loan statements, debtor and creditor statements, group certificates and recent pay slips, accountant certificates, business activity statements, leasing details;

TPT Wealth Limited recommends that you seek independent professional advice that takes into account your investment objectives, financial situation, particular needs and/or other personal circumstances, before deciding whether to acquire, or continue to hold the investment. TPT Wealth Limited, MyState Limited and MyState Bank Limited do not guarantee the repayment of capital or the performance of the Funds or any particular rates of return from the Funds. A fund investment is an investment in a managed investment fund, and is not a bank deposit. Accordingly, there is a higher risk of losing some or all of your money than is the case with a bank deposit. In respect of withdrawal periods, withdrawal rights and investment periods, please note that whilst we expect to meet redemption requests within the periods stated, these periods may be longer subject to the nature of the assets of the Fund, the Fund's liquidity, the Fund's constitution and the Law. For important information about the Funds and the risks, please refer to the TPT Income Funds Product Disclosure Statement dated 2 December 2019 which is available free of charge at [tptwealth.com.au](http://tptwealth.com.au).

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