



**East
Coast**
MORTGAGE
TRUST

ARSN 090 631 637
ABN 86 565 751 866

Issuer

**Lismore Management
Corporation Limited**

ACN 010 695 566
AFSL No. 239216

Product Disclosure Statement

2nd November 2009



Built on 48 years of Trust

PURPOSE OF THIS PRODUCT DISCLOSURE DOCUMENT

Introduction

This Product Disclosure Document (PDS) aims to give you enough information to help you decide whether investing in East Coast Mortgage Trust ARSN 090 631 637 (Trust) will meet your needs.

If you have any questions or wish to contact us, call us on 02 6622 2092 between 9am and 5pm, Monday to Friday. Further information can be obtained by visiting our website www.ecmt.com.au. Or feel free to call into one of our offices in Lismore or Ballina.

The information in this PDS does not take into account your personal investment objectives, financial situation and needs. Before investing with us, we recommend you consult your investment advisor and seek independent financial advice. Should you decide to invest with us, then we recommend you keep this PDS and other documents relating to the Trust for future reference.

General

This PDS dated 2nd November 2009 relates to the Trust. It contains important information for investors to decide if they wish to invest in the Trust. Investments are subject to risk, including possible delays in payment and/or loss of income or capital.

The Trust is a managed investment scheme registered under the Corporations Act. Lismore Management Corporation is the holder of Australian Financial Services Licence No. 239216 and is the responsible entity of the Trust.

Lismore Management Corporation is the issuer of Units in the Trust and this PDS and is responsible for the contents of the PDS. Perpetual Trustee Company Ltd has been appointed as Custodian to hold the assets of the Trust on behalf of Unit Holders. The Custodian has not been involved in preparing this PDS and makes no representation regarding the accuracy or completeness of the contents. The Custodian has no supervisory role relating to the operation of the Trust. The Custodian has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement.

Neither Lismore Management Corporation, its Directors, officers or employees guarantee the performance of any investment, the repayment of capital or any particular return. Investments in the Trust are not deposits with or liabilities of Lismore Management Corporation and are subject to investment and other risks including loss of income or principal invested and delays in repayment. Neither Lismore Management Corporation nor any of their respective officers, employees or agents are authorised to make any statement other than as contained in this PDS including, without limitation, any representation with respect to income tax or other taxation consequences of any investment in the Trust.

Information or representations not included in the PDS may not be relied on as authorised by any person in connection with the Trust or Lismore Management Corporation.

To the extent permitted by law, any statement, representation or promise made in any discussion with any officers, employees or agents of Lismore Management Corporation has no effect except to the extent expressly set out or incorporated by reference in this PDS.

Lismore Management Corporation does not guarantee the performance or success of the Trust, including the payment of any particular rate of return in relation to an investment in Trust.

The offer of Units under this PDS is only available to investors receiving the PDS in Australia. The distribution of this PDS outside Australia may be restricted by law and therefore persons who obtain this PDS should seek advice and observe any such restrictions. Failure to comply with these restrictions may constitute a violation of laws. This PDS does not constitute an offer in any place where, or to any person to whom, it would not be lawful to make such an offer.



Properties shown in the PDS are not assets of the Trust. Unless otherwise indicated, all information in this PDS is current as at the date of this PDS. All financial amounts shown in this PDS are expressed in Australian dollars unless otherwise stated.

A number of words and terms in this PDS have defined meanings or should be interpreted in a particular manner as provided in the section of the PDS entitled 'What do the terms mean?'.

PDS online

This PDS is available online. Please visit our website www.ecmt.com.au.

While Lismore Management Corporation believes it is unlikely that the electronic version of the PDS will be tampered with or altered in any way, Lismore Management Corporation cannot give any assurance that this will not occur. Any prospective Applicant in doubt as to the validity or integrity of an electronic copy of the PDS should immediately request a paper copy of the PDS.

Applicants using the Application Form attached to the electronic version of the SPDS must be located within Australia. Persons who receive an electronic version of the PDS or SPDS should ensure they download and read the entire PDS and SPDS. Persons who received a copy of the PDS or SPDS in its electronic form may obtain a free paper copy of the PDS or SPDS by phoning (02) 66 22 2092.

Updated information

The information in the PDS is up to date at the time of publication. From time to time certain information in relation to the Trust can change. If a change to the information contained in this PDS is considered materially adverse we will issue a supplementary or replacement PDS. However, in most circumstances, where updated information in relation to the Trust is not materially adverse Lismore Management Corporation will post this information on its website www.ecmt.com.au for Unit Holders to download. A copy of such information can also be provided to an investor upon request at no charge.

Applications to invest

Potential investors should carefully consider risk factors associated with an investment in the Trust in light of their personal circumstances (including financial and taxation issues) and where unsure about any matter seek further advice from their accountant, lawyer or other professional adviser before investing in the Trust. The financial situation or particular needs of individual investors have not been taken into account in the preparation of this PDS.

Applications to invest in the Trust may only be made on the Application Form which should be attached to the SPDS which accompanies this PDS.



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CHAIRMAN'S LETTER



I am proud to introduce the new Product Disclosure Statement [PDS] which will provide the opportunity again to invest in the East Coast Mortgage Trust.

It is now just over 12 months since the Federal Governments move to guarantee banking institutions which lead to the decision of the Board to freeze the Fund. In that time the Board has followed a strategy aimed at ensuring the security of your investment, allowing reasonable withdrawal opportunities and providing above market returns.

Recently at a meeting of investors a poll of those present and by proxy vote approved changes to the Constitution [by over 96% majority] which allow your Board to take the next step in following this strategy. This PDS allows new investment in the Trust while following the ideals of delivering investors more regular access to their funds and rewarding medium/long term investors with higher returns.

East Coast Mortgage Trust has been servicing investors and borrowers for over 48 years in northern NSW and southern QLD through the prudent management of a stable experienced Board of Directors. The Board are leading the way for local Mortgage Funds with decisions such as monthly interest distributions with monthly statements, regular communications and read only internet access to your account information. Fund performance is regularly updated on our website.

Investing as little as \$1000.00 by electronic transfer or by cheque you can have your investment pooled with thousands of other likeminded investors. You can add to your investment at any time however all investments are subject to acceptance by the Board as the Responsible Entity for the Trust.

All assets of the Trust are held by Perpetual Trustee Company Limited, one of the largest Trustee companies in Australia, as Custodian. The Trust holds an Australian Financial Services licence and complies with the obligations of a Managed Investments Scheme registered with the Australian Securities and Investments Commission.

We invite you to invest using the Application Form attached to this PDS and trust this will prove to be a rewarding experience for you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chris Lomax', written in a cursive style.

Chris Lomax
Chairman



CEO'S LETTER

It is with immense pleasure that we present the new Product Disclosure Statement (PDS) for East Coast Mortgage Trust.

In reading this document investors will be able to choose between our new investment options:

- East Coast Advantage providing a competitive rate of return together with regular access to funds through participating in Withdrawal Offers when they are made; and
- East Coast Premium Choice offering a premium rate of return for investors who elect not to participate in Periodic Redemption Offers without first giving 6 months notice.

Or

- a combination of both.

The last 12 months has seen all aspects of the financial industry in Australia and overseas effected by unprecedented challenges.

While we are not immune to these challenges the Trust has continued to perform strongly through a period that has seen many other investment options lose ground.

Over the last financial year we have:

- Maintained the capital value of our investors funds;
- Paid a very competitive return now on a monthly basis;
- Communicated regularly and clearly, taking a leading role in our industry; and
- Released \$70 million dollars to investors who needed access to their investment.

We believe these results surpass those of any other similar fund.

East Coast Mortgage Trust is built on over 48 years of trust by the investors of our region.

The Trust continues to offer an investment that has an excellent long-term track record in delivering attractive, risk adjusted returns for investors. All this delivered by a team committed to friendly, professional and personal service.

While some things have changed to meet challenging times many of the reasons East Coast Mortgage Trust has attracted generations of investors remain the same.

With this PDS we are excited to offer investors a greater level of choice than ever before.

Thank you for taking the time to read our PDS. We hope you consider joining thousands of investors who already enjoy the benefits of investing in East Coast Mortgage Trust.

Yours faithfully



Scott Collis
Chief Executive Officer



FEATURES AT A GLANCE

Objective	The Trust aims to provide you with income and capital stability and reward medium/long term investment.
The Responsible Entity and issuer of Units	Lismore Management Corporation is the responsible entity of the Trust and holds Australian Financial Services Licence No. 239216.
The Custodian	Perpetual Trustee Company Ltd ACN 000 001 007.
Investment Approach	The Trust is a pooled mortgage trust where your funds are combined with funds contributed by other investors and either advanced to borrowers approved by us or invested in Authorised Investments. Trust funds are primarily invested in first mortgages secured over real property. Other Authorised Investments include cash at banks and income-producing property. All loan advances out of Trust funds are subject to our strict lending guidelines.
Credit and Risk Management	Whilst all investments carry risk, stringent procedures are in place to mitigate market, investment and credit risk.
Gearing - Average loan to valuation ratio	The maximum loan to valuation ratio permitted under the Constitution of the Trust is 75%. However, our current policy is to apply ratios to loans at more conservative ratios.
Minimum Investment	The minimum initial investment is \$1000.00.
Rate of Return	Distributions paid to you are not fixed or guaranteed. Loans to borrowers are generally at variable interest rates. Distributions are determined by the earnings of the Trust's Authorised Investments less management fees and expenses. The current distribution rate is available on request or via our website at www.ecmt.com.au
Distribution	Distributions are calculated daily and generally paid monthly. Lismore Management Corporation may vary when distributions are paid. Distributions can be automatically reinvested or electronically transferred to your nominated account.
Investment Options	<p>Investors can choose between two investment options:</p> <p>(a) East Coast Premium Choice – a premium return, no withdrawal fee, interest calculated daily and paid monthly; and</p> <p>(b) East Coast Advantage – an effective return, access to periodic withdrawal offers, interest calculated daily and paid monthly</p> <p>Only East Coast Advantage investors are eligible to participate in Withdrawal Offers made by Lismore Management Corporation from time to time. East Coast Advantage investors will be charged a Withdrawal Fee which will be deducted from their Distribution entitlements.</p> <p>East Coast Premium Choice investors agree:</p> <ul style="list-style-type: none"> • Not to receive or participate in Withdrawal Offers when they are made; • To only change their instructions to switch from East Coast Premium Choice to East Coast Advantage after first giving a minimum of 6 months notice; and • Not to request a transfer of funds from East Coast Premium Choice to East Coast Advantage without first giving a minimum of 6 months notice. <p>East Coast Advantage investors can switch to East Coast Premium Choice immediately by contacting us at our offices in Lismore or Ballina.</p>



Entry Fees	Nil.
Withdrawal Fee	The Withdrawal Fee is a percentage deducted from the current variable distribution rate. It applies where investors choose to invest under East Coast Advantage. The Withdrawal Fee is currently set at 1.00% p.a. but may vary from time to time. We will publish advice of a change in the Withdrawal Fee at least 30 days prior to any change.
Withdrawals	The Trust is currently operating as a non-liquid managed investment scheme. This means the redemption of Units (withdrawals) can only be made after we make a Withdrawal Offer. While there is no obligation for us to make a Withdrawal Offer our current intention is to make offers on a regular basis. We will determine the amount available for Withdrawal Offers and the terms of the offer based on the available liquidity in the Trust and other conditions that prevail at the time.
Brokerage or commission	We currently do not pay brokerage or commission to attract investment funds to the Trust however, we reserve the right to change this policy from time to time.
Management Costs	Management costs are disclosed in the SPDS accompanying this PDS.
Cooling-off period	Whilst the Trust remains a non-liquid scheme, investors have no cooling-off rights.
Experienced Management	Our investment expertise relies on the quality and experience of our Board and management team, combined with our risk management procedures, systems and protocols which we apply in managing the Trust. The Board and management team have an excellent long-term track record in delivering attractive, risk adjusted returns for investors.
Access to information	Investors can keep up to date on the Trust's performance via quarterly updates, through regular investor newsletters and online at www.ecmt.com.au including East Coast Online Access which offers investors the flexibility to read and print statement information on their accounts whenever required.
Risks	An investment in the Trust is subject to risks which may effect the performance of your investment. A summary of the specific risks that apply to an investment in the Trust include: <ul style="list-style-type: none"> (a) loan defaults; (b) inadequate security for loans; (c) risks associated with development and construction loans; (d) non-liquid nature of the investment; (e) Capitalisation of interest; and (f) risks associated with the operation of the Trust.



FREQUENTLY ASKED QUESTIONS

What is a mortgage trust?

Mortgage trusts are one of the oldest examples of unit trusts. Investors' funds are pooled and subsequently deployed in loans secured by mortgages over real property. The terms under which funds are invested, pooled and lent to third parties must be in accordance with the Constitution and any representations made in the PDS.

Mortgage trusts have existed in Australia since at least the early 1970's and are now commonly regulated as managed investment schemes required to be registered with ASIC and subject to the requirements of Chapter 5C of the Corporations Act.

The attraction of a unit trust is that it allows investors to do collectively what they otherwise generally cannot do individually, either because of a lack of time, lack of expertise, lack of sufficient capital, or a combination of these factors.

What is East Coast Mortgage Trust?

The East Coast Mortgage Trust is an unlisted unit trust registered as a managed investment scheme under the Corporations Act.

The Trust operates as a pooled mortgage trust where your funds are combined with others and invested in a diversified portfolio of commercial loans and other Authorised Investments.

The Trust is currently operating as a non-liquid managed investment scheme. This means Units can only be redeemed under a Withdrawal Offer. For more details on withdrawals from the Trust refer to page 13 of this document.

The current objective of the Board is (subject to market conditions) to move the Trust back to a liquid scheme status and enable it to process and pay valid redemption requests within an appropriate period.

Investors should note this is currently an objective of the Board and not a forecast that this will in fact occur. It is possible the Trust will continue to operate as a non liquid managed investment scheme for some significant period into the future.

Who manages the Trust?

The Trust is managed by Lismore Management Corporation, the responsible entity, which is charged with the responsibility under the Constitution and Corporations Act to pool, invest and manage Unit Holder funds.

How long has the Trust been operating?

The East Coast Mortgage Trust's origins date back to early 1961 when a group of local Northern New South Wales professionals saw the need for an investment facility that could provide a place for locals to invest funds under external management, and provide others with the opportunity to borrow money under the supervision of management.

The East Coast Mortgage Trust in its current form was established by a Trust Deed dated 20 June 1989 and amended from time to time.

What is the benefit of investing in the Trust?

East Coast Mortgage Trust investors pool their monies with other like minded investors in loans secured primarily by mortgages over real property.



You benefit through the opportunity to participate in a diversity of investments otherwise outside your individual capacity whilst earning a return and enjoying the security of a pooled, mortgage backed investment.

As a Unit Holder in the Trust you:

- will enjoy professional management of your funds, free from the responsibility and inconvenience associated with the administration of the investment, a task which is performed by us;
- invest without incurring any entry fees;
- can choose from different returns to suit your particular circumstances and investment goals; and
- know that your money is earning a return daily and paid monthly (subject to availability).

What do I get in return for my investment?

In return for an investment in the Trust, you will be issued Units in the Trust and receive distributions. The number of Units you receive depends on the amount invested. Units are generally issued at \$1.00 per Unit so that if \$1000.00 is invested you will generally receive 1000 Units.

What returns will I receive from the Trust?

Trust income will be paid as a 'Distribution' calculated on the basis of the number of Units you held during the preceding month. Distribution amounts generally accrue from the next business day after the Trust receives investment moneys along with a valid Application Form.

The current rate of return is available on request or via our website at www.ecmt.com.au.

The East Coast Mortgage Trust also notifies you of any rate change in advance. We provide monthly statements and annual reports so you can see exactly what your investment is earning.

What are my investment options?

Investors in East Coast Mortgage Trust are offered the choice of two investment options:

- East Coast Premium Choice offering a premium rate of return for investors who elect not to participate in Periodic Offers; and
- East Coast Advantage providing regular access to funds through participating in Withdrawal Offers when they are made.

What is East Coast Premium Choice?

Trust funds are primarily invested in first mortgages secured over real property and other Authorised Investments such as income-producing property. These investments are by their nature relatively long term and we encourage investors to consider East Coast Mortgage Trust as a medium to long term investment.

Investors in East Coast Mortgage Trust may elect not to participate in periodic (Withdrawal) Offers and in doing so take advantage of the premium rate of return that the Trust offers. This is the East Coast Premium Choice investment option.



How Does East Coast Premium Choice Work?

When you invest in East Coast Premium Choice you will be offered our premium rate of return. You must select the East Coast Premium Choice investment option, when completing the required section of the Application Form.

East Coast Premium Choice investors agree:

- Not to receive or participate in Withdrawal Offers when they are made;
- To only change their instructions to switch from East Coast Premium Choice to East Coast Advantage after first giving a minimum of 6 months notice; and
- Not to request a transfer of funds from East Coast Premium Choice to East Coast Advantage without first giving a minimum of 6 months notice.

East Coast Advantage investors can switch to East Coast Premium Choice immediately by contacting us at our offices in Lismore or Ballina.

You are under no obligation to lodge a redemption request. You can allow your investment to continue as long as you like, taking advantage of the premium rate of return offered by East Coast Mortgage Trust.

Should you change your mind and elect to commence participating in Withdrawal Offers you must complete an Investment Choice Authority Form.

You will be eligible to take part in Withdrawal Offers (when they are made) following expiration of the 6 months notice period which will commence from the date your authority form is accepted. The Withdrawal Fee will also apply from the expiration of the 6 month notice period.

We cannot guarantee either the timing of Periodic Redemption Offers or the amount you will receive under any offer that is made.

What is East Coast Advantage?

Investors who choose to invest all or part of their funds in East Coast Advantage are able to participate in Periodic Redemption Offers whenever they are made. In choosing to take advantage of greater levels of access these investors agree to be charged a Withdrawal Fee.

East Coast Advantage investors can switch or transfer funds to East Coast Premium Choice at any time. In all other ways investing as an East Coast Advantage investors is the same as under East Coast Premium Choice.

How Does East Coast Advantage work?

If you wish to participate in Withdrawal Offers made from time to time, you should select the East Coast Advantage investment option when completing the Application Form.

Whilst the Trust is non-liquid, from time to time and subject to the availability of sufficient liquid funds, Lismore Management Corporation may make Withdrawal Offers under which eligible East Coast Advantage holders will be able to request that their Units be redeemed subject to the terms and conditions applying to the Withdrawal Offer.

East Coast Advantage unit holders are subject to a Withdrawal Fee.

At any time, an East Coast Advantage Unit Holder may switch to the East Coast Premium Choice investment.



What is the Withdrawal Fee?

The Withdrawal Fee is a percentage deducted from the current variable distribution rate. It applies where investors choose to invest under East Coast Advantage.

The Withdrawal Fee is currently set at 1.00% p.a. but may vary from time to time. We will publish advice of a change in the Withdrawal Fee at least 30 days prior to any change.

For Example:

Redemption Offer	Premium Rate*	Withdrawal Fee*	Effective Rate*
East Coast Premium Choice – 6 months notice to be eligible to participate in Periodic Redemption Offers.	5.75%	Nil	5.75%
East Coast Advantage – Participating in Periodic Redemption Offers when made	5.75%	-1.00%	4.75%

* Rates expressed are indicative at the time of publication, are not a forecast and may vary. Current rates are available via our website at www.ecmt.com.au or at any of our offices.

Why are you charging a fee?

The current economic climate has placed unprecedented demands on the operations of the Trust and we believe the fairest way to address these costs is on a user pay basis via an ongoing 'Withdrawal Fee' deducted from East Coast Advantage Unit Holders' Distribution entitlements.

The Withdrawal Fee will not be paid to Lismore Management Corporation but rather will form part of the income of the Trust which may be distributed to Unit Holders.

The purpose of the introduction of the East Coast Advantage investment option and the Withdrawal Fee is to allow those Unit Holders who are seeking to withdraw their investment in the Trust the opportunity to do so.

This approach also rewards longer term investors with the potential for higher returns by selecting the East Coast Premium Choice investment option. The majority of our investors have invested with the Trust for many years, receiving regular distributions and have rarely sought to withdraw their investment. It is these investors who we consider would benefit from this approach.

Provided sufficient investors participate in East Coast Premium Choice, this will significantly reduce the redemption pressures placed on the Trust.

When were the investment options implemented?

On 7 October 2009, a meeting of the Trust's Unit Holders was held. At the meeting, Unit Holders were asked to approve the implementation of the East Coast Premium Choice and East Coast Advantage investment options. The outcome saw 96% of votes cast by Unit Holders in favour of the implementation of the East Coast Premium Choice and East Coast Advantage investment options.

Following the meeting, all existing Unit Holders are deemed by operation of the amendments to the Trust's constitution, to be East Coast Premium Choice investors.



How do I change my instructions?

You can switch between the East Coast Premium Choice and East Coast Advantage investment options by completing the Investment Choice Authority.

If you switch from East Coast Advantage to East Coast Premium Choice we will amend your investment and cease charging the Withdrawal Fee the first Business Day after a valid Investment Choice Authority is received at our offices. Any previously lodged but incomplete redemption requests will be rendered invalid.

If you switch from East Coast Premium Choice to East Coast Advantage the switch will be effective on the day 6 months after your Investment Choice Authority is accepted. From that day you will be charged the Withdrawal Fee and be eligible to participate in any Withdrawal Offer.

Can I elect to split my investment?

Yes. We recognise that investors may prefer to divide their investment between East Coast Premium Choice and East Coast Advantage investment options. You can split your total investment between these two options by speaking to one of our staff and specifying how you want your funds to be applied to each investment option.

In such cases the effective Distribution rate paid will depend on the investment balance in each option.

Is my return fixed?

No. Interest rates on loans to borrowers are generally variable and the Distributions paid to you by the Trust vary accordingly. Whilst some loans made by the Trust may have a fixed interest rate, it is our present policy to have the majority of loans on variable rates so that rates can be adjusted to reflect market conditions.

When are Distributions paid?

Distributions are paid monthly subject to available funds.

You may elect to have your Distribution paid by electronic funds transfer (EFT) to your nominated account or reinvested with your existing investment by completing the appropriate section of the Application Form or advising us in writing. Unless you indicate otherwise on the Application Form, we will reinvest all your Distributions.

Units issued on the reinvestment of Distributions will earn income from the next day after the Distributions are allocated. Please mail us an original written request, if you wish to change your Distribution instructions.

Is my return guaranteed?

No, Distributions are not guaranteed. The level of Distributions in any particular period is determined by the earnings of the Trust in that period from mortgages, cash, income-producing properties and other Authorised Investments less fees and expenses incurred.

Are there any risks?

As with any investment there are risks. For the particular risks of this investment please refer to page 22 of this PDS.



Are there any entry fees?

No.

Can I withdraw my investment?

The Trust is currently operating as a non-liquid managed investment scheme. This means, redemptions from the Trust can only be made under a Withdrawal Offer and only for those units held in the East Coast Advantage Investment option.

We recommend investors seek independent financial advice based on their particular needs before making a decision to invest.

Trust funds are primarily invested in first mortgages secured over real property and other Authorised Investments such as income-producing property. These investments are by their nature relatively long term and we encourage investors to consider East Coast Mortgage Trust as a medium to long term investment.

How do I withdraw?

Lismore Management Corporation intends for so long as the Trust remains a non liquid managed investment scheme, to make periodic Withdrawal Offers, subject to the availability of sufficient liquid assets.

While there is no obligation for us to make a Withdrawal Offer our objective is to make offers to East Coast Advantage investors regularly subject to the availability of sufficient liquid assets.

Before making a Withdrawal Offer, we will determine the amount of liquid funds available for redemptions and the terms under which the offer will be made based on the available liquidity in the Trust and other conditions that prevail at the time.

Lismore Management Corporation must notify all eligible East Coast Advantage Unit Holders of the following information in relation to any Withdrawal Offer;

- (a) the period in which the offer will remain open;
- (b) the amount of funds that will be used to satisfy Withdrawal requests; and
- (c) what will happen if the Withdrawal request is over-subscribed.

In order to participate in a Withdrawal Offer you must be an eligible East Coast Advantage Unit Holder and lodge an original withdrawal request with Lismore Management Corporation before the Withdrawal Offer closes.

Fax copies will not be accepted.

How will this operate?

The total pooled amount of the Withdrawal Offers and their frequency will be dependent on the available cash and the operational requirements of the Trust. We consider our primary focus should be in maintaining an appropriate level of Distributions from the Trust to Unit Holders.

When a Withdrawal Offer is made, all East Coast Advantage Unit Holders will be advised of the terms of the Withdrawal Offer. Those Unit holders can then choose to elect to redeem all or part of their investment. The conditions under which a redemption offer is made will be explained in the offer.



Generally if a Withdrawal Offer is oversubscribed investors who lodged a redemption request will receive an amount calculated in accordance with the formula set out below:

Total amount of redemption offer	X	Amount Unit Holder requested to redeem
		Total of all Unit Holder redemption requests

We cannot guarantee either the timing of Withdrawal Offers or the amount you will receive under any offer that is made.

How do I invest?

Application Forms are enclosed in the SPDS.

New investors can invest by completing the Application Form – New Investors Only.

Existing investors may add to their investment at any time by completing the Application Form – Existing Investors Only.

Application Forms should only ever be completed by persons who have received and had an opportunity to read the PDS and SPDS. Please contact us 02 6622 2092 between 9am and 5pm, Monday to Friday or visit our website at www.ecmt.com.au if you require a full copy of the PDS and SPDS with application forms attached.

The minimum investment amount permitted in relation to an investment in the Trust is \$1000.00.

Your completed Application Form needs to be posted or delivered to our offices in Lismore or Ballina together with satisfactory proof of identification and arrangements for payment of the Application Money (either cheque or EFT or direct debit). **Cash will not be accepted.**

Detailed instructions on how to complete the Application Form and what constitutes satisfactory proof of identification are contained in the SPDS. We reserve the right to accept or reject in full or part of any Application Form.

Is my investment subject to any ‘cooling-off’ period?

Currently no. Whilst the Trust is operated as a non-liquid managed investment scheme, applicants will not be entitled to any cooling-off rights.

Do I have to provide my tax file number?

The use of tax file numbers is strictly regulated by privacy and taxation laws. You do not have to give us your tax file number or exemption details but if you do not supply this information, taxation laws require us to deduct from your Distribution entitlement tax at the highest marginal rate (plus the Medicare Levy).

How do I monitor my investment?

We will provide you with regular information about your investment via various channels, including:

- confirmation of the acceptance of an initial investment in the form of a statement;
- a regular statement which includes appropriate taxation information;
- the East Coast Online Access facility;



- In the case of the Trust's annual report & quarterly performance against industry benchmarks via our website at www.ecmt.com.au;
- on request at any time.

You may also notify us in writing if you do not wish to receive the above information or if you would prefer to access the information electronically via our website at www.ecmt.com.au. Please contact our staff for further details.

What is East Coast Online Access?

Investors can check the status of their investment through our website www.ecmt.com.au once they have applied and been set up as a user of East Coast Online Access.

East Coast Online Access offers investors the ability to access account information such as balances and statements when you need them, generally 24 hours a day, 7 days a week.

Applications for East Coast Online Access are available on the website or by calling at one of our offices in Lismore or Ballina. Once the original application is received your application will be processed generally within 24 hours.

What is the role of Perpetual Trustee Company Ltd?

Perpetual Trustee Company Ltd is the Custodian of the Trust. As Custodian, it holds all cash and securities of the Trust. Funds are advanced to borrowers only after certification that documents are in order by a firm of solicitors appointed by us. Funds are released by Perpetual Trustee Company Ltd at our direction on receipt of this certification. Although the Custodian undertakes this role as custodian of the Trust, it is important to understand that the Custodian is not a trustee appointed to protect investors.

Is my income from the Trust taxable?

Generally, the income you receive as a result of your investment in the Trust will form part of your taxable income in the relevant financial year. Advice regarding your taxation position should be obtained from your accountant or financial adviser.

Further information on taxation is contained in page 25.

Are the Units listed/rated?

Units in the Trust are not listed on any stock exchange and we do not propose to list the Units. At the time of the issue of the PDS the Units have not been rated by any credit rating agency however they may be in the future.



MANAGEMENT OF THE TRUST

Lismore Management Corporation Ltd

Lismore Management Corporation is the responsible entity of the Trust and is subject to the Corporations Act. It holds Australian Financial Services Licence number 239216 authorising it to operate the Trust as a registered managed investment scheme under the Corporations Act. Under the licence, Lismore Management Corporation must meet minimum net asset requirements (in its own right, hold net assets of equivalent value to at least 0.5% of the value of the Trust) and have appropriate cash resources to conduct its role as responsible entity.

Lismore Management Corporation is responsible for the day to day operations of the Trust and is required to manage the Trust in accordance with the Constitution, Compliance Plan and the Corporations Act. It must at all times maintain professional indemnity and fraud insurance as part of its licence requirements.



Board of Directors and Company Secretary



Christopher George Rhodes Lomax – Chairman of Directors – Director – Non-Executive/ Compliance Officer

Mr Lomax is a qualified solicitor and was until 30 June 2006 a senior partner of the Ballina office of Somerville Laundry Lomax. He began practice in 1971 and was involved in general practice including commercial law, security and probate work. In recent times he has become involved in the compliance aspect of managed investment schemes and has interests in local property development. He has been a director of Lismore Management Corporation since 1989 and has been Chairman of the Board since 2000.





Paul James Starkey – Director – Non-Executive

Mr Starkey is a qualified solicitor and was until July 2005 a senior partner in the legal firm Somerville Laundry Lomax. He remains a consultant to that firm. He began practice in 1974 and specialised in commercial law, local government law and security work. More recently he has been involved in commercial interests outside of law including property development and an interest in a wholesaling and distribution business. He has been a director of Lismore Management Corporation since 1987.

James George Poulos – Director – Non-Executive

Mr Poulos was admitted to practice law as a solicitor in 1969. He ceased practicing law in December 1983. Since that date he has been involved in many commercial and residential property developments and businesses. He was a director of Lismore Management Corporation from 1987 to 1990, and was reappointed in April 1995.



Anthony James Farrell – Director – Non-Executive

Mr Farrell is a qualified and licensed real estate agent and the managing director of LJ Hooker Byron Bay. He has had extensive experience in the real estate industry sector and has considerable experience in commercial and residential property developments. He has been a director of Lismore Management Corporation since September 1999.

Malcolm Hugh Marshall – Director – Non-Executive

Mr Marshall is a Certified Practising Accountant and Registered Tax Agent. He holds the qualifications of Bachelor of Arts majoring in accounting as well as a Master of Business Administration. He has held the position of Executive Director and Vice President (Corporate Services) at the Southern Cross University since 1993. He has been a director of Lismore Management Corporation since March 2000.



Trevor James Prior – Company Secretary

Mr Prior was until 30th June 2007 the senior partner of the accounting firm Blackburn & Prior. He was a Fellow of the Institute of Chartered Accountants in Australia and is a Registered Tax Agent. He has held the position of company secretary of Lismore Management Corporation since 31 July 1991.



OUR EXPERTISE AND INVESTMENT GUIDELINES

Expertise

Our investment expertise relies on the quality and experience of our Board and management team, combined with our stringent risk management procedures, systems and protocols which we apply in managing the Trust.

The Board and management team have an excellent long-term track record in delivering attractive, risk adjusted returns for investors. This proven expertise has provided the foundation for investor confidence in the Trust and underpins the success and growth of the Trust. Whilst past performance of the Trust should not be used as any guide to likely future performance, we hope that our past history of successful management of investors' funds provides some reassurance of our experience and capacity as managers.

Our investment process is highly consistent and focused. Although the Trust provides the opportunity for attractive returns, we also view evaluating and controlling risk as a primary obligation.

We believe that the highest standards of corporate governance and responsibility are vital to the success of our investments and the ongoing good will towards the Trust.

Investment guidelines

Types of investments made by the Trust

We invest Trust funds on investors' behalf in Authorised Investments which include a diversified portfolio of loans secured against real property, and in interest bearing bank term deposits, income producing property and other investments deemed acceptable by us.

Investment Policy Guidelines

We aim to protect your investment and provide consistent returns by investing in mortgages, income-producing property, and other Authorised Investments in accordance with set policy guidelines.

At the date of this PDS, we have the following policy guidelines:

- it is intended to lend the majority of funds on the security of mortgages of properties located in North Eastern New South Wales and South Eastern Queensland;
- no loans exceeding 10% of the value of Trust assets shall be made to any one borrower;
- the Trust will not invest in derivatives (except for hedging purposes only) and will concentrate on lending money on the security of real property;
- it is intended to diversify loan funds on security of different types of real estate (i.e. residential, commercial and industrial); and
- the Trust may acquire income producing property limited in value to one third of the value of the Trust's assets at the date of acquisition.

We will only advance loan funds to borrowers where the valuation of the proposed loan security property is within our maximum loan to valuation ratio (LVR) limits. The maximum LVR that is permitted under the Constitution of the Trust is 75%. However, at present, we aim to ensure maximum LVRs be applied as follows to each particular category of secured property:

Rural	50%
Commercial/Industrial/Development	65%
Residential	75%



For full details of our current average LVR for particular categories of loans and the breakdown of all LVRs in the portfolio please refer to the SPDS and updated information at www.ecmt.com.au.

Loan Assessment Criteria

Loans to borrowers will only be approved subject to prudent credit investigations and verification of the loan application and supporting documentation. Loan applications are initially assessed by senior management before being presented to the Board for approval.

The criteria for assessing loan applications may include but are not limited to:

- the borrower has completed a formal loan application including signed statements of position and privacy consents and has been properly identified;
- appropriate credit reference reports have been obtained;
- where a company or trust is involved, full copies of the relevant constitutions or trust deeds (as applicable) are provided and found to be satisfactory;
- at least one of the following applies:
 - the borrower has demonstrated a capacity to repay the loan on maturity; or
 - the underlying secured property is considered readily realizable; or
 - the borrower has demonstrated an ability to service the loan;
- loans will be primarily first mortgage security;
- the secured property must be insured against usual risks to its replacement value;
- the secured property is of an acceptable quality/type and has been valued by an independent panel valuer (except where purchased at public auction when a valuation may not have been obtained); and
- an acceptable LVR has been agreed. Please note the loan secured by the mortgage will be no more than 75% of the value of the secured property as assessed by an approved valuer (or of the auction price).
- The ability of the borrower to service the loan, the zoning of the security property and its approved uses will also be considered when assessing a proposed loan in light of the likely LVR.

The Board also maintain a policy of personally inspecting significant loan securities where appropriate.

Development Loans

We recognise that development or construction lending involves an inherently higher level of return and risk. For that reason we use additional assessment criteria to mitigate risk and ensure the successful completion of the development.

In addition to the Loan Assessment Criteria outlined above, prior to drawing new development and construction loans (at the discretion of the Board) we may require that:

- all plans, specifications and building contracts are provided to an approved quantity surveyor/valuer instructed by us. The quantity surveyor/valuer approximates the cost to complete the development in order to ensure the borrower has allowed appropriate development costs;
- a copy of the builders' construction insurance (and home warranty insurance where applicable) is provided with our interest noted;
- the loan security documentation will include a tripartite agreement between the borrower, the nominated builder and us in respect to completion of the proposed construction;



- copies of the necessary development application and council approved building plans and specifications are provided;
- full costings for the project together with a copy of fixed price building contract are provided; and
- the Board is satisfied with the credentials of the builder.

Once we commence a development loan, funds are generally advanced in set stages on a 'cost to complete' basis based on certificates supplied by the quantity surveyor or valuer, at the borrower's cost. The certificates must state:

- the cost and value of the development carried out;
- that the development has been carried out in accordance with plans, specifications and all approvals;
- that the development has been conducted in a proper and workmanlike manner using suitable and good quality materials; and
- the amount required to complete the development in accordance with the plans and specifications.

It is not the intention of the Board that development loans form a significant part of the overall investment portfolio of the Trust. For current details on the proportion of development loans please refer to the SPDS.

Valuation Practices

All approved mortgage investments are subject to valuations, except where the secured property is purchased at public auction in which case we may not require a valuation.

Valuations must be conducted by registered licensed valuers who are chosen from a panel of independent, qualified valuers approved by the Board.

In valuing a property to be used as security, we require the following:

- the valuer must be suitably qualified and licensed (i.e. the valuer must have at least five years experience in valuing the type of property and have no pecuniary interest in the loan transaction);
- the valuer must be authorised to practice as a valuer under the law of the State where the valuation takes place;
- the valuation must be prepared on the basis of market value of the property. Market value is defined as the estimated amount agreed upon by a willing buyer and seller after proper marketing of the property;
- the valuation must contain confirmation that the valuer does not have a pecuniary interest that could conflict with the proper valuation of the property;
- where loans over property are for construction and development purposes the secured property is valued on both an 'as is' estimate of market value in its current state and an 'as if complete' estimate of market value assuming specified improvements are made;
- valuations must be no more than three months old at the time of the initial loan drawdown; and
- the valuer must provide evidence of current professional indemnity insurance of at least \$2 million;

All valuations are tabled for the perusal and approval of the Board before loan draw down;

- Additionally no one valuer conducts more than one-third of the Trust's valuation work.



Lismore Management Corporation also has a policy that re-valuations must be obtained where the Directors of Lismore Management form the opinion that market conditions have changed such that the current valuation no longer reflects the underlying value of the secured property and the advance no longer meets our lending principles.

Other Authorised Investments

Cash is generally invested at call or in interest bearing term deposits at an authorised deposit taking institution. However, under the Constitution Other Authorised Investments may extend to:

- real property;
- bank endorsed or accepted bills of exchange and promissory notes;
- negotiable certificates of deposit issued by a financial institution;
- bills of exchange drawn, accepted or endorsed by a financial institution;
- government or semi-governmental securities; and
- short term money market securities.



RISK FACTORS

With any investment there are risks. Your investment in the Trust is not guaranteed and neither is the distribution of income or the rate of distribution.

As investing in the Trust involves exposing your investment to a degree of risk it is important that you understand:

- the risks, both specific and general, in investing in the Trust;
- how comfortable you are in exposing your investment to those risks;
- how the Trust compares on risk with other investments;
- what policies and procedures we apply to mitigate risk; and
- whether your investment with the Trust fits into your overall investment plan.

Because risk means different things to different people, you are encouraged to discuss your personal investment needs with a licensed financial advisor before deciding to invest in the Trust.

While we have documented guidelines and operating procedures to mitigate risk it is important that you give careful consideration to all risk factors and the information contained in the PDS before making a decision to invest with us.

While some risk factors may be mitigated by us, certain risks are outside our control and are not capable of being mitigated.

Types of Risk

Risk factors fall into two categories – risks specific to the Trust and general risks. Both categories are listed below.

General Risks Associated with Investment

General risks outside our control may include:

- the state of the Australian and international economies which may affect the ability of some borrowers to meet their loan repayments;
- changes in management personnel and other changes in human resources that may adversely impact on the Trust as a result of a loss of management expertise;
- the risk that Distributions paid by the Trust will fail to keep pace with inflation;
- deficient security documentation which may hinder our ability to realise the Trust's security in the event of a borrower defaulting;
- legislative changes in the regulatory environment effecting either the financial services industry in general or the mortgage trust industry specifically;
- changes in taxation laws that may adversely affect the position of investors in the Trust;
- the Trust's operating and financial performance are influenced by a variety of general economic and business conditions including the level of inflation, interest rates, government fiscal policy, monetary and regulatory policies; and
- continued prolonged deterioration in general economic conditions could be expected to have a corresponding adverse impact on the Trust's operating and financial performance.



Specific Risks

Risks which may be considered specific to investment in the Trust may include:

Loan Default Risk

Loan defaults by borrowers. Borrowers may default for many reasons including changes to the borrowers' personal circumstances, property market conditions and economic conditions either generally or specifically to the borrower. If a large number of borrowers default in making their mortgage repayments the Trust may have insufficient cash available to pay Distributions to Unit Holders or fund Withdrawal Offers. If these defaults were to persist for a prolonged period of time there is a risk that the Trust would be unable to meet its operating expenses and as a result could be forced to be wound up.

Security Risk

Valuations may not accurately reflect the true value of a secured property when the valuation is taken. This is only a risk if the borrower defaults on the loan and we are forced to sell the secured property as mortgagee in possession for less than the amount owed by the borrower under the loan. This may result in a capital loss for Unit Holders. There is also a risk there may be a fall in the value of a secured property during the loan term. This may occur for reasons specific to the secured property or due to a general decline in market conditions after the loan is taken out. Ultimately any reduction in the value of a secured property may result in difficulties either where the borrower is dependent on the sale of secured property to clear the loan or where the Trust is enforcing its security.

Development and Construction Loans

The Trust offers finance for a range of property development projects. Development loans involve a higher level of risk due to factors outside our control such as timing and completion of the development, increases in building costs or other development expenses. These costs may result in the borrower being unable to meet the shortfall between the amount borrowed and the cost to complete the project or the amount of the approved facility kept in reserve by the Trust to complete the project being insufficient to meet the cost of completion of the project. Furthermore, changes in the property market may occur during the development which could affect the sale of completed projects and in some cases result in the project becoming unprofitable.

In such circumstances the Trust may incur a capital loss and also a shortfall in expected revenue.

Borrowers seeking loans for construction and development do not typically deal with traditional lenders such as banks for a number of reasons including the ability to review and approve loans in a short time frame and in some instances, not meeting the bank's lending criteria. Therefore the risk of lending to such borrowers may be higher.

For these reasons development loans require a high degree of experience in their assessment and management.

Non-liquid Nature of Underlying Security

The underlying security for loans made to borrowers is predominantly mortgages over real property which are relatively illiquid. Because the Trust is currently operating as a non-liquid scheme, there can be no assurance as to the timing of when your investment will be redeemed.

The Trust must have sufficient cash flow in order to pay distributions to investors and make redemption offers. Factors which could affect the Trust's cash flows include borrower default, the inability of the Trust to be able to lend funds at a rate sufficient to cover its expenses, unforeseen costs associated with the operation of the Trust, unexpectedly high levels of redemption requests, delays in enforcing mortgages and delays in selling properties as mortgagee in possession.

Capitalisation of Interest Payments on Loans

Loans made from the Trust require interest to be paid periodically during the loan term or added (capitalised) to the loan: There is risk that:

- these interest payments are not recoverable because of changed circumstances of the borrower, the security property or other economic conditions; or
- due to interest being capitalised there may be insufficient cash flows into the Trust to meet redemption requests.

Operating Risk

There is a risk of errors in the operation of the Trust which may impact on your investment.



ADDITIONAL INFORMATION

Constitution

The East Coast Mortgage Trust was established by a Trust Deed dated 20 June 1989 which has been amended from time to time and notably as required in 1999 to adapt the Trust to the compliance requirements for an ASIC registered scheme under the Corporations Act.

The Constitution includes but is not limited to provisions which deal with:

- rights of Unit Holders;
- liability of Unit Holders;
- redemption of Units;
- distribution of income;
- rights and responsibilities of the Responsible Entity;
- remuneration of the Responsible Entity;
- ability to change or remove the Responsible Entity;
- requirements for Unit Holder meetings; and
- procedures for handling complaints.

Compliance Plan

The Compliance Plan is a document required by the Corporations Act detailing the processes we have in place to ensure compliance with the Corporations Act and the Constitution. The Compliance Plan establishes practices which assist us to ensure that:

- your investment is clearly identified and distinguished from the investments of others;
- the security property for all loans is valued by a valuer approved by us before investment; and
- we keep adequate records.

A Compliance Officer has been appointed by the Board to supervise our compliance with the Compliance Plan and the Corporations Act.

Custody Agreement

The Custodian is an independent party holding the assets of the Trust and all income generated from the investment portfolio (mortgages etc.), and distributes that part of the income which can be distributed to you as directed by us.

We entered a custody agreement appointing Perpetual Trustee Company Ltd (holder of Australian Financial Services Licence number 236643) as custodian of the Trust on 3 January 2002. The Custodian's role is limited to holding assets of the East Coast Mortgage Trust as agent of Lismore Management Corporation. The Custodian has no supervisory role in relation to the operation of the East Coast Mortgage Trust and is not responsible for protecting your interests. Perpetual Trustee Company Ltd has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement.



The Custodian's duties include:

- holding the Trusts assets in safe custody;
- opening and maintaining bank accounts to hold all cash (including application money) and income of the Trust;
- executing and holding mortgage documents;
- acting on our specific instructions; and
- complying with the Corporations Act.

Under the Custody Agreement, the Custodian is entitled to the following fee calculated monthly and paid quarterly:

- 0.025% per annum of the gross value of mortgage assets held in the Trust; plus
- 0.05% per annum of the gross value of the cash and fixed interest assets held in the Trust.

The Custodian is also entitled to be reimbursed for any 'out of pocket' expenses reasonably incurred.

Unit Pricing

We have implemented a unit pricing policy which provides that investments will be valued at cost or the latest valuation by an external and qualified valuer unless we are advised or consider that a particular investment has increased or decreased in value.

Generally the issue and redemption price of Units will be \$1.00 per Unit. Should the Trust incur a capital loss which in our view results in the Unit price of \$1.00 not accurately reflecting the value of a Unit, then we may calculate Unit prices (for the issue and redemption of Units) as total net Trust assets/total Units on issue.

A copy of the unit pricing policy is available free of charge on request.

Borrowings

The Constitution allows us to borrow funds from financiers on behalf of the Trust and pledge the Trust assets as security. Borrowings could be used for funding additional loans or meeting short term Trust liquidity.

Whilst the Constitution limits borrowings to 50% of the assets of the Trust, it is the intention of the Board that the Trust have no significant borrowings.

The Trust indirectly owns the One Mile Beach Holiday Park. The Manager may arrange from time to time borrowings secured against the Park for the purpose of operating or renovating the Park. These borrowings are not expected at any time to exceed 5% of the total assets of the Trust. For up to date information on the borrowings refer to the Trust Benchmark disclosure.

Taxation

This is provided as a general guide to taxation law in Australia.

Implications for Investors

Given the complexity of taxation legislation, ongoing changes made by Government and your individual circumstances, we strongly recommend that you seek advice from an authorised tax advisor.

It is our policy to distribute all net taxable income of the Trust to Unit Holders (investors) each financial year.



The Trust should not be subject to taxation on net income derived for tax purposes provided the net income is fully distributed to or reinvested on Unit Holders' behalf each financial year. Distribution payments to Unit Holders will be tax accessible income except to the extent the Distribution contains a tax deferred component (see page 23 for further details).

This means that you will be required to include your Distributions from the Trust in your income tax returns. This is irrespective of whether you receive Distributions during the year, after the end of the year or Distributions are reinvested as additional Units.

Units in the Trust will not be redeemed for greater than their issue price. Therefore, there should be no capital gains implications for Unit Holders in respect to redeeming their Units. Should a capital loss arise on redemption of Units, the loss will not be an allowable deduction for a Unit Holder, but may be able to be offset against capital gains arising in that year or in subsequent years.

Capital gains could potentially arise upon the transfer or sale of Units. For capital gains tax purposes, Units will be taken to have been acquired by Unit Holders at a cost base equal to the Units issue price of \$1.00 per Unit plus any incidental costs associated with the acquisition of the Units. Any assessable capital gain will generally equal the excess (if any) of the consideration received for the sale of Units less the cost base of the Units.

The amount of the capital gain is to be included in the Unit Holders assessable income and may be reduced where a capital gains tax discount is available. If a Unit Holder is an individual, a Trust or a complying superannuation entity that has owned the Units for at least 12 months, a capital gains tax discount may be available, subject to the entity meeting certain requirements set out in the Income Tax Assessment Act 1997 (Cth). Where a capital gains tax discount is available, the amount of the capital gains to be included in the Unit Holders assessable income may be reduced by 50% for individuals and trusts and 33¹/₃ for complying superannuation entities.

In the Application Form, you are asked to provide an Australian Tax File Number (TFN), Australian Business Number (ABN) or relevant exemption. Providing this information is not compulsory. However, if you fail to provide us with a tax file number, ABN or relevant exemption the responsible entity is required to withhold tax from your distributions at the highest marginal rate plus the Medicare levy.

We will send or make available (within three months of 30 June) to you, your 30 June statement. You should not complete your taxation return until you receive this statement.

Lismore Management Corporation as the responsible entity and Perpetual Trustee Company Ltd as the Custodian are not responsible for Unit Holders tax liabilities.

Social Security

Your investment in the Trust will be classified as a financial investment by the Department of Veteran Affairs (DVA) and Centrelink and therefore included in the Income and Assets Tests by the DVA and Centrelink.

Government Policy in this area can often change and we recommend that you consult your financial advisor, the DVA or Centrelink for as to how your investment in the Trust may affect you.

Goods and Services Tax

The acquisition or redemption of Units is not subject to goods and services tax (GST) and GST is not directly applicable to your investment in the Trust when you invest or redeem your investment. The Trust may incur GST in respect to various expenses and the Trust may not be entitled to input tax credits with respect to all the GST the Trust incurs.



Overseas Investors

If you are not an Australian resident for taxation purposes, you must (when completing the Application Form) provide your overseas address. Where an overseas address is provided, withholding tax must be deducted by Lismore Management Corporation from all Distributions.

Tax Deferred Income

Tax deferred income is primarily non-taxable distributions associated with favourable tax timing differences. As a result of these timing differences, taxable income is less than accounting income. In the circumstances of the Trust these timing differences may include:

- building allowances and capital allowances in respect of depreciating assets forming part of the assets of the Trust;
- deductible capital expenditure to raise equity for and establish the business of the Trust and borrowing costs;
- the part of your Distribution that relates to tax deferred income will not ordinarily be included in your assessable income. It may, however, have capital gains tax ("CGT") implications in certain circumstances. This includes tax deferred income distributed to you reducing the cost base of your Units. This may result in a relatively greater capital gain when the Units are disposed of in the future; and
- a capital gain will arise to the extent that the total tax deferred distributions, during the period of ownership of a Unit, exceed the cost base (or reduced cost base) of the Unit. The capital gain to be included in your assessable income may be reduced if the capital gains tax ("CGT") discount is available.

You should keep a record of the tax deferred distributions received for capital gains tax purposes.

Use of your information – privacy

The privacy of your information is important to us. It will not be shared with unrelated parties (other than as disclosed in this section or required by law) without your consent and will only be used to:

- fulfil our obligations in providing services to you;
- develop products and services; and
- allow us to market products and services (subject to your right to opt out of receiving various direct marketing materials at any time).

In managing your investment, we may need to disclose your personal information to your financial adviser either directly or through other service providers which we may have arrangements with.

You are entitled to request reasonable access to information we have about you. You should notify us immediately if any of the information we hold about you changes, so that we may ensure that your information is always complete, accurate and current. If you do not provide the information requested on the Application Form, we may be unable to process your Application.

Our privacy policy can be found at www.ecmt.com.au.



Documents available for inspection

The Trust is a disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Trust may be obtained from, or inspected at, an ASIC office.

Copies of the following documents are available for inspection during normal office hours at our registered office:

- Constitution;
- Compliance Plan;
- Custody Agreement;
- Privacy Policy;
- most recent annual report of the Trust;
- any half-yearly report lodged after the most recent annual report; and
- any continuous disclosure notices given by the Trust after the lodgement of the annual report and before the date of this PDS.

Complaints handling

We aim to provide good service to you and to borrowers. If you wish to make a complaint about our conduct, management or administration of the Trust please contact:

The Chief Executive Officer
Lismore Management Corporation Ltd
Suite 1/7 Carrington Street
LISMORE NSW 2480
Telephone: 02 6622 2092

We expect that our management and staff will be able to resolve issues that you raise. We are required by law to be a member of an external dispute resolution scheme. If you are not satisfied with the response from us, you may write to:

Financial Ombudsman Service
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1300 78 08 08

Disclosure of Interests

Trevor Prior was formerly a partner of Blackburn Prior which are both the Responsible Entity's and the Trust's accountants. Blackburn Prior receive professional fees for their services at normal rates.

Paul Starkey and Christopher Lomax were formerly partners of Somerville Laundry Lomax which act as solicitors for both us and the Trust. Somerville Laundry Lomax receive professional fees for their services at normal rates.

Lismore Management Corporation and related parties of Lismore Management Corporation and its Directors and Officers may hold Units from time to time. These investments will be acquired and held on the same terms as any other investor in the Trust.

The Board maintain a policy that no loans are made to related parties of Lismore Management Corporation or its Directors.



Consents and Interests

The Custodian has acted as custodian on behalf of the Trust. The Custodian has given, and has not before issue of this PDS, withdrawn its consent to the issue of this PDS to be named in the form and context in which it is named. The Custodian receives remuneration and is reimbursed for certain expenses as set out on page 25 of this PDS.

McCullough Robertson has given and not withdrawn its consent prior to the issue of this PDS to be named in the form and context in which it is named. McCullough Robertson is not responsible for the contents of this PDS and has not caused the issue of this PDS.

Somerville Laundry Lomax has given and not withdrawn its consent prior to the issue of this PDS to be named in the form and context in which it is named. Somerville Laundry Lomax is not responsible for the contents of this PDS and has not caused the issue of this PDS.

S+P Lawyers has given and not withdrawn its consent prior to the issue of this PDS to be named in the form and context in which it is named. S+P Lawyers is not responsible for the contents of this PDS and has not caused the issue of this PDS.

McCartney Young Lawyers has given and not withdrawn its consent prior to the issue of this PDS to be named in the form and context in which it is named. McCartney Young Lawyers is not responsible for the contents of this PDS and has not caused the issue of this PDS.

Blackburn Prior has given and not withdrawn its consent prior to the issue of this PDS to be named in the form and context in which it is named. Blackburn Prior is not responsible for the contents of this PDS and has not caused the issue of this PDS.

Wappett & Partners has given and not withdrawn its consent prior to the issue of this PDS to be named in the form and context in which it is named. Wappett & Partners is not responsible for the contents of this PDS and has not caused the issue of this PDS.

Social, ethical and other considerations

Labour standards, environmental, social or ethical considerations are not explicitly taken into consideration for the purpose of selecting, retaining or realising Trust investments.

Other information

The Trust is a disclosing entity for Corporations Act purposes and as such is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Trust may be obtained from, or inspected at, an ASIC office or alternatively requested by contacting our office. Investors have a right to obtain a copy of the following documents:

- the annual and half-yearly financial reports for the Trust as required to be lodged with ASIC;
- any continuous disclosure notices given by the Trust after the lodgement with ASIC of the most recent financial reporting for the Trust; and
- other information that is not materially adverse that is subject to change from time to time will be updated by us on its website www.ecmt.com.au and a paper copy of any updated information will be given to you without charge on request by calling us.



WHAT DO THE TERMS MEAN?

Accepted	In relation to forms or applications lodged by investors 'accepted' means the form or application has been lodged with us and the details and signatures verified as being correct.
Applicant	Any person or entity who submits an Application Form.
Application	An application to subscribe for Units in the Trust.
Application Form	The application form included in or intended to accompany the SPDS.
Application Money	The moneys payable for Units.
ASIC	Australian Securities and Investments Commission.
Authorised Investments	Include a diversified portfolio of loans secured against a business or real property, income producing real property, interest bearing bank term deposits and other investments deemed acceptable by the Responsible Entity.
Board	The board of directors of Lismore Management Corporation.
Borrower	A person or entity to whom Lismore Management Corporation as responsible entity of the Trust agrees to and does lend Trust funds.
Business Day	A day (other than Saturday or Sunday) on which the trading banks are open for business in New South Wales.
Compliance Committee	The committee formed to oversee Lismore Managements Corporation's compliance with legislation.
Compliance Officer	The officer appointed to monitor Lismore Management Corporation's compliance with legislation.
Compliance Plan	The compliance plan of the Trust establishes the framework for monitoring the operation of the Trust as amended from time to time.
Constitution	The constitution of the Trust as amended from time to time.
Corporations Act	The Corporations Act 2001 and the Corporations Regulations.
Custodian	Perpetual Trustee Company Ltd ACN 000 001 007 holder of Australian Financial Services Licence Number 236643.



Directors	The directors of Lismore Management Corporation.
Distribution	The income paid to investors in the Trust.
Investor, you or your	Any person who applies to invest in the Trust and whose Application is accepted.
Loan to Value Ratio (LVR)	This is the loan amount expressed as a percent of either the purchase price or the appraised value of the property.
PDS	This product disclosure statement and any SPDSs deemed by the Corporations Act to be incorporated into this document.
Lismore Management Corporation, Responsible Entity, we us or our	Lismore Management Corporation Ltd ACN 010 695 566 being the responsible entity of the Trust.
Publish	Notices electronically published on our website.
SPDS	Supplementary product disclosure statement issued by Lismore Management Corporation Limited which forms part of this PDS. Unless the context requires otherwise, a reference to the PDS includes the SPDS.
Trust	East Coast Mortgage Trust ARSN 090 631 637.
Unit	A unit in the Trust.
Unit Holder	A person holding Units in the Trust – an investor.
Us, we our	Lismore Management Corporation.
Withdrawal Fee	Means the withdrawal fee published on the Manager’s website from time to time.
Withdrawal Offer	Means any offer to East Coast Advantage Unit Holders giving them the opportunity to have some or all of their Units redeemed. The Withdrawal Offer may be in any manner determined by the Manager including electronically or by publication in a newspaper
You, your	Unit Holders, Investors and Borrowers



CORPORATE DIRECTORY

Responsible Entity

Lismore Management Corporation Ltd

Lismore Office

Suite 1/7 Carrington Street

Lismore NSW 2480

Telephone 02 66 222092

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Directors

Christopher George Rhodes Lomax

Paul James Starkey

James George Poulos

Anthony James Farrell

Malcolm Hugh Marshall

Secretary

Trevor James Prior

Custodian

Perpetual Trustee Company Ltd

ACN 000 001 007

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Legal Advisers for the Responsible Entity

Somerville Laundry Lomax

1 Carrington Street

Lismore NSW 2480

S + P Lawyers

Level 2, 75 Magellan Street

Lismore NSW 2480

McCartney Young Lawyers

1/85 Tamar Street

Ballina NSW 2478

McCullough Robertson

Level 11, Central Plaza Two

66 Eagle Street

Brisbane QLD 4000

Accountants & Tax Adviser

Blackburn Prior

8a Carrington Street

Lismore NSW 2480

Auditors of the Trust, Responsible Entity & Compliance Plan

Wappett & Partners

158 Molesworth Street

Lismore NSW 2480

Complaints Resolution

Financial Ombudsman Service

GPO Box 3,

Melbourne VIC 3001





Built on 48 years of Trust

