

ACIF Priority Fund

Information Memorandum



Trustee:
Vasco Investment Managers Limited
ABN 71 138 715 009 AFSL 344486

Investment Manager:
Australia China Investment Fund Limited
ACN 607 032 655

IMPORTANT NOTICE

This Memorandum is provided by the Trustee, Vasco Investment Managers Limited in strict confidence, solely to provide certain information about the Fund to a limited number of prospective investors. By accepting this Memorandum, the recipient agrees to be bound by the following terms and conditions.

Vasco Investment Managers Limited, the Trustee, and Australia China Investment Fund Limited, the Investment Manager, are unrelated companies.

The information in this Memorandum can change, and may be updated or replaced from time to time. Unless the changed information is materially adverse, the Trustee may not always update or replace this Memorandum to reflect the changed information. Updated information can be obtained by contacting the Trustee or your adviser. You should check if there is any updating information before you invest.

Confidentiality

Neither this Memorandum nor any other information provided by the Trustee may be disclosed to any other party, except for the purpose of obtaining independent advice in connection with the consideration of an investment in the Fund, or used for any purpose other than the consideration of an investment in the Fund, unless the express prior written consent of the Trustee is obtained. Any reproduction of all or part of this Memorandum is strictly prohibited without the written consent of the Trustee. In the event that the recipient does not participate in the Fund, this Memorandum, along with all related materials, must be returned to the Trustee immediately upon demand.

Restrictions on Distribution

This Memorandum has been prepared on the basis that prospective investors in the Fund are wholesale clients, as defined in the Corporations Act. Accordingly, this Memorandum is not a product disclosure statement and does not contain all of the information that would be included in a product disclosure statement issued under the Corporations Act.

This Memorandum does not constitute, and may not be used for the purposes of an offer of units or an invitation to apply to participate in the Fund by any person in any jurisdiction in which such offer or invitation is not authorised or in which the person endeavoring to make such offer or invitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or invitation.

No action has been taken to register or qualify interests in the Fund, or the invitation to participate in the Fund, or to otherwise permit any public offering of Fund interests in any jurisdiction.

It is the responsibility of prospective investors to satisfy themselves as to full compliance with the relevant laws and regulations of any territory in connection with any application to participate in the Fund, including obtaining any requisite governmental or other consent and adhering to any other formality prescribed in such territory.

By receiving and viewing this Memorandum the recipient is warranting that they are legally entitled to do so, the securities laws of their relevant jurisdiction do not prohibit them from acquiring interests in the Fund and they are a wholesale client as defined in section 761G of the

Corporations Act and that they will not distribute or provide copies of this Memorandum to any person.

Language

The primary language of this document is English. This document may be translated into different languages. Any translations provided are for reference purposes only. If there is any inconsistency or conflict between the English version of this Information Memorandum and versions of this Information Memorandum in any other language, the English version prevails.

Currency

All references to \$ amounts are references to Australian Dollars.

Summary of Key Documents Only

This Memorandum contains a summary of the terms of the Fund and certain other documents. However, prospective investors should refer to the complete legal documentation for the Fund. Investments in the Fund are governed by the Trust Deed for the Fund and associated documents and nothing in this Memorandum limits or qualifies the powers and discretions conferred upon the Trustee and the Investment Manager under those documents. This Memorandum should be read in conjunction with the Trust Deed and associated documents for the Fund. In the event of any inconsistency between the Trust Deed and associated documents and this Memorandum, then the Trust Deed and associated documents will prevail to the extent of the inconsistency.

No Tax or Investment Advice Provided

Prospective investors should not construe the contents of this Memorandum as tax or investment advice.

This Memorandum does not purport to be complete, accurate or contain all information which its recipients may require to make an informed assessment of whether to invest in the Fund.

Any advice given by the Trustee in connection with the Fund or in this Memorandum is general advice only. This Memorandum does not take into account the objectives, circumstances (including financial situation) or needs of any particular person. Before acting on the information contained in this Memorandum, or making a decision to invest in the Fund, prospective investors should make their own enquiries and seek professional advice as to whether investment in the Fund is appropriate in light of their own circumstances.

To the maximum extent permitted by law, the Trustee and Investment Manager and their directors, officers, employees, advisers or consultants and their associated companies, businesses, partners, directors, officers or employees (together, the "Trustee and/or their Advisers") do not accept any liability or responsibility for any loss or damage (however caused including without limitation for negligence) arising from reliance placed on the information contained in this Memorandum.

No representation other than this Memorandum

Except where expressly disclosed, the information contained in the Memorandum has not been independently verified or audited. To the maximum extent permitted by law, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Trustee or Investment Manager and/or their Advisers as to the accuracy or completeness of any

part of this Memorandum, nor will they have any responsibility to update or supplement this Memorandum.

No person is authorised to give any information or to make any representation in connection with the offer of units in the Fund described in this Memorandum, which is not in this Memorandum. This Memorandum supersedes any prior Memorandum or marketing materials given prior to the issue of the Memorandum to the extent of any inconsistency. Any information or representation in relation to the offer of units in the Fund described in this Memorandum not contained in this Memorandum may not be relied upon as having been authorised by the Trustee and/or their Advisers.

No Guarantee of Performance or Representations Made

Neither the Trustee, the Investment Manager nor any other person or entity guarantees any income or capital return from the Fund. There can be no assurance that the Fund will achieve results that are comparable to the track record of the Investment Manager and/or their Advisers or that the Fund's investment objectives will be achieved.

Certain of the information contained in this Memorandum has been obtained from published sources prepared by other parties. Neither the Trustee, the Investment Manager nor any other person assumes any responsibility for the accuracy or completeness of such information. Except as specifically provided in the Memorandum and associated documents, no representation made or information given in connection with or relevant to an investment in the Fund may be relied upon as having been made or given with the authority of the Trustee and no responsibility is accepted by the Trustee and/or their Advisers or any other person in respect thereof.

All statements of opinion and/or belief contained in the Memorandum and all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of the Fund represent the Trustee's own assessment and interpretation of information available to it as at the date of this Memorandum and are provided for illustrative purposes only. No representation is made or assurance given that such statements, views, projections or forecasts are correct or that the objectives of the Fund will be achieved. Prospective investors must determine for themselves what reliance (if any) they should place on such statements, views, projections or forecasts and no responsibility is accepted by the Trustee and/or their Advisers in respect thereof. Prospective investors are strongly advised to conduct their own due diligence including, without limitation, the legal and tax consequences to them of investing in the Fund.

Certain information contained in this Memorandum constitutes "forward-looking statements" that can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "estimate," "intend," "continue," or "believe" or the negatives thereof or other variations thereon or comparable terminology. Furthermore, any projections or other estimates in this Memorandum, including estimates of returns or performance, are "forward-looking statements" and are based upon certain assumptions that may change. Due to various risks and uncertainties, including those set forth under "Risk Factors," actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. Moreover, actual events are difficult to project and often depend upon factors that are beyond the control of the Trustee and/or their Advisers.

The attention of prospective investors is specifically drawn to the risk factors associated with investing in the Fund set out in Section 7.

Date

This Memorandum is current as at 18 October 2016. Neither the delivery of this Memorandum at any time nor any sale hereunder shall under any circumstances create an implication that the information contained herein is correct as of any time after that date. The Trustee reserves the right to modify any of the terms of issue of units in the Fund described herein. The Trustee has no obligation to update the contents of this Memorandum.

Any questions regarding this Memorandum should be directed to Australia China Investment Fund Limited on 1300 008 882 or Vasco Investment Managers Limited at Level 5, 488 Bourke Street, Melbourne, Victoria, 3000, Australia or +613 8352 7120.

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DEFINITIONS

“Application Amount”	The Application Amount is the amount invested by the Investor
“ASIC”	The Australian Securities and Investments Commission
"AFSL "	Australian Financial Services Licence
“Australia China Investment Fund Limited”	Australia China Investment Fund Limited, being the Investment Manager of the Fund, a corporate authorised representative of D H Flinders Pty Ltd (AFSL No.353001).
"Call Notice"	A notice issued by the Trustee under the terms of the Trust Deed requesting that the balance of any partly paid units be paid to the Trustee by a specific date.
"Corporations Act"	<i>Corporations Act 2001</i> (Cth)
"Distribution Direction"	means a distribution direction in the form attached to this Memorandum
“Fund”	ACIF Priority Fund, which is a unit trust scheme established on 1 April 2016 under the laws of the Commonwealth of Australia
“Fund Agreements”	The Trust Deed and associated documents, whose provisions govern the Fund and set out the rights of unitholders and powers and duties of the Trustee, amongst other matters
"Initial Period"	means the period between receipt of the initial Application Amount and payment of the call made pursuant to a Call Notice.
“Investment Manager”	Australia China Investment Fund Limited (ACN 607 032 655)
“Investments”	Mezzanine finance loan or other real estate related investment to a developer and cash held directly or invested in a cash management fund or account. Loans may be unsecured.
“Investors”	The investors in the Fund
“Memorandum”	This private placement memorandum issued to provide certain information about the Fund to potential Fund Investors in connection with their consideration of an investment in the Fund
“Offer”	The offer to subscribe for units in the Fund as set out in this Memorandum
"Trust Deed"	The constitution for the Fund dated 1 April 2016, as amended from time to time.
“Trustee”	Vasco Investment Managers Limited (ABN 71 138 715 009), AFSL 344486
"Term"	The Fund will terminate following completion of the settlement of the last of the property contracts entered into by Investors or as otherwise detailed in the Trust Deed.

KEY TERMS

The following information is only a summary of certain key terms of the Fund and is qualified in its entirety by reference to the more detailed Section 6 (Summary of Major Terms) and to the Fund Agreements.

Fund name	ACIF Priority Fund
Trustee	Vasco Investment Managers Limited
Investment Manager	Australia China Investment Fund Limited
Structure	The Fund is an unregistered unit trust established by the Trustee pursuant to the Trust Deed and is governed by Australian law
Investment objective	The Fund aims to provide investors with the opportunity to achieve attractive returns through either the provision of a mezzanine finance loan or other real estate related investment with a developer.
Target Fund size	Approximately AUD 20 million (however, the Trustee may determine that the Fund size should be a lesser or greater amount, in its absolute discretion). However, the maximum amount that will be raised will depend on the funding requirements of the proposed developer.
Target return	The target return is 9% per annum(calculated on a simple interest basis) after fees and expenses, although in the Initial Period, prior to the mezzanine finance loan or other real estate related investment being made and while the Application Amount is held in cash or invested in a cash management product, returns are expected to be lower (and reflect the interest rate available on a short term cash investment)
No Guarantee	The Trustee does not guarantee the payment of any returns or that that Investors will be repaid the capital they have invested in the Fund.
Eligibility to invest	Investors in the Fund must be wholesale clients, as that term is defined in the Corporations Act. The Trustee has discretion whether to accept an Application.
Unit Classes	The Trustee may issue different classes of units for different projects. The different unit classes may have different rights and obligations including the amount of any distribution and the timing of the Call Notice.
Distributions	Distributions of income (if any) are expected be paid within 14

days of the end of each quarter while the Application Amount is held in cash (which is expected to be for the Initial Period only).

As the Trustee will not receive interest payments from the mezzanine finance loan or a return on any real estate related investment until the end of the Term, the Trustee does not anticipate making regular distributions from the Fund once the investment has been entered into.

Distributions will be calculated on a unit day basis in accordance with the Trust Deed.

The Trustee may retain from amounts available for distribution such amounts as it considers necessary for reserves, management fees, performance fees, taxes, and expenses of the Fund, which may result in no distributions being made despite surplus cash existing. Pending distribution to Investors, the Fund may invest in cash and cash equivalents (i.e. acceptable bank deposits) or such other similar creditworthy and liquid investments as determined by the Fund.

Whilst investors will only receive the majority of the income distributions from the Fund at the end of the Term, Investors should note that there is a risk that they may incur a tax liability prior to the end of the Term (and at a time when no cash distributions are paid out of the Fund) that they will have to meet.

Distribution Direction

When an investor or nominee separately enters into a contract with a developer to acquire one or more of the residential properties, that are the subject of a development, then the Investor may direct the Trustee to pay the Investor's distribution of capital at the end of the Term and on a winding up of the Fund to the developer after deduction of any withholding tax and relevant Fund expenses.

The Distribution Direction is irrevocable (other than in the case of the insolvency of the developer), meaning that once a direction is given; the Trustee must pay such amounts to the developer and not directly to the Investor.

The terms of the property contract and the entry into the contract does not form part of the Fund and is not a condition of entry into the Fund.

The Trustee does not warrant that the returns from the Fund will be sufficient to pay all of the purchase price payable in respect of any such property contract. An Investor should seek their own advice regarding the terms of any property contract as this does not form part of their investment in the Fund.

Gearing

The Fund will not have any borrowings

Liquidity	Once the mezzanine finance loan or real estate related investment is entered into, the Fund is not expected to be liquid and the Trustee does not anticipate permitting withdrawals prior to the expiration of the Term. Any extension to the term is at the discretion of the Trustee.
Minimum Commitment	AUD 500,000, although the Trustee has the discretion to accept smaller amounts (Committed Amount).
Initial payment	This is the initial amount required to be paid for the issue of units in the Fund and will be 5% of the value of the units that will be issued upon acceptance of the application and receipt of payment by the Trustee. If an investor fails to pay the balance of the Application Amount upon receipt of a Call Notice, the units on issue will be forfeited, the units will be cancelled, and the Investor will not receive any payment (including a refund of the amount already paid) out of the Fund.
Further payment	Investors will be issued with a Call Notice to pay the balance of the Application Amount. The Call Notice is expected to be issued to Investors between 3 and 6 months after their units are issued.
Fund Currency	Australian Dollars (AUD)
Term	The Fund is expected to terminate after settlement of the property contract of the last remaining investor in the Fund.
Investment Management fees	The Investment Manager is entitled to an investment management fee of up to 3% of the Fund's gross asset value (plus GST) per annum paid six monthly in arrears. The Investment Manager shall defer the receipt of its fees until such time that the Fund is in a financial position to pay its fees.
Trustee fee	<p>The Trustee is entitled to receive an establishment fee of \$9,500 (plus GST) and an annual fee for acting as trustee of the Fund. This annual fee will be equal to the greater of:</p> <p>(a) \$22,500 (plus GST); or</p> <p>(b) 0.1% (plus GST) per annum of the gross asset value of the Fund.</p> <p>This fee will be paid monthly in arrears out of the assets of the Fund (and will be calculated by multiplying the amount of the Fund's gross asset value by 0.1% (plus GST) per annum, subject to a minimum annual fee).</p>

The Trustee fee shall be paid by the Investment Manager from the fees it receives. Only where the Investment Manager fails to pay the Trustee shall the Trustee be entitled to recover its fees from the Fund.

Administration fee

The Trustee is also to receive a fee of up to \$25,000 (plus GST) per annum for undertaking the administration of the Fund, including processing of applications, fund registry, fund accounting and attending to the lodgement of regulatory returns.

This fee will be increased by 3% per annum on an annual basis.

All fees to which the Trustee is entitled to be paid shall be paid by the Investment Manager from the fees it receives. Only where the Investment Manager fails to pay the Trustee shall the Trustee be entitled to recover its fees from the Fund

Forfeited Investment fee

In the event that an Investor does not meet the requirements of the Call Notice they will forfeit their Initial Investment. The forfeited amount will be paid as a fee as follows:

- a fee amounting to 80% of any forfeited Initial Investment to the Investment Manager
 - a fee amounting to 20% of any forfeited Initial Investment to the Trustee
-

1. EXECUTIVE SUMMARY

OVERVIEW

The Fund has been established to allow Investors the opportunity to participate in a newly established investment vehicle that will invest in a mezzanine finance loan or other real estate related investment with a developer.

Investors can elect to have the proceeds of their investment applied to the settlement of a property purchase from the developer, although Investors are not required to make such an election and the terms of any property purchase do not form part of an investment in the Fund.

The Trustee has appointed the Investment Manager for the purposes of marketing the Fund to Investors and managing the investments of the Fund and completing due diligence on the Developer with a view to achieving returns for Investors. Australia China Investment Fund Limited brings extensive expertise to the management of the Fund.

KEY FEATURES OF THE FUND

The Fund offers Investors:

- i) an investment and a management team with a proven track record in financing, real estate investment management and funds management; and
- ii) an opportunity to invest in a mezzanine financing project or other real estate related investment that would not otherwise be publicly available.

STRUCTURE OF THE FUND

The Fund structure is as follows (also see Section 3):

- i) The Fund is a unit trust established under, and governed by, Australian law.
- ii) The Fund will be operated as a closed-end vehicle with an anticipated term of up to 4 years, which may be extended by the Trustee.
- iii) The trustee of the Fund is Vasco Investment Managers Limited, an Australian company limited by shares. Vasco Investment Managers Limited is the holder of an AFSL and is regulated by ASIC. Vasco is an experienced trustee and manager of wholesale unit trust schemes that invest in property and property development and financing projects.
- iv) The Trustee has appointed the investment manager of the Fund, Australia China Investment Fund Limited, an experienced manager of real estate and real estate financing investments.

INVESTMENT OBJECTIVE AND STRATEGY

Returns will be generated via making a mezzanine finance loan or other real estate related investment to a developer to finance a residential property development. Loans may be unsecured. Returns to the Fund will be dependent on the success of the investments the Fund makes in development projects and the success of those developments because if the

development is unsuccessful, then the developer may be unable to repay the loan amount and pay the interest charged on the loan or pay returns to Investors from the investment.

Investors can elect to have the proceeds of their investment applied to the settlement of a property purchase. This is done by way of a Distribution Direction entered into at the same time as the Investor invests into the Fund. Such a direction is irrevocable (except in the case of the insolvency of the developer) and careful consideration should be given as to whether this is appropriate for an Investor. Any contract by an Investor to purchase real property from the developer does not form part of the Fund and Investors should seek their own advice about the terms of any such contract.

2. THE INVESTMENT OPPORTUNITY

INTRODUCTION

Via the Fund, the Investment Manager seeks to offer Investors the opportunity to earn attractive returns through indirect exposure to the real estate sector utilising the experience, investment expertise and global network of the Investment Manager. The Fund intends to invest in property development projects by either a mezzanine finance loan or other real estate instrument. The loans may be unsecured. The returns to the Fund will depend on the success of the property development and the property market. This is because the ability of the Developer to make the principal and interest payments under the loan will depend on the success of the development.

A key benefit of an investment in the Fund is the access to the management team that have the skills and experience to capitalise on opportunities in the real estate sector. The team has:

- An extensive knowledge of real estate projects (and the financing of such projects) globally and the ability to critically assess and secure the best of these opportunities through creative and flexible deal structures; and
- A management team that consists of experienced professionals with a track record of delivering exceptional returns.

The current global economic expansion, particularly in Asia and other countries should provide significant interest amongst citizens of those countries in investment in the Australian real estate sector.

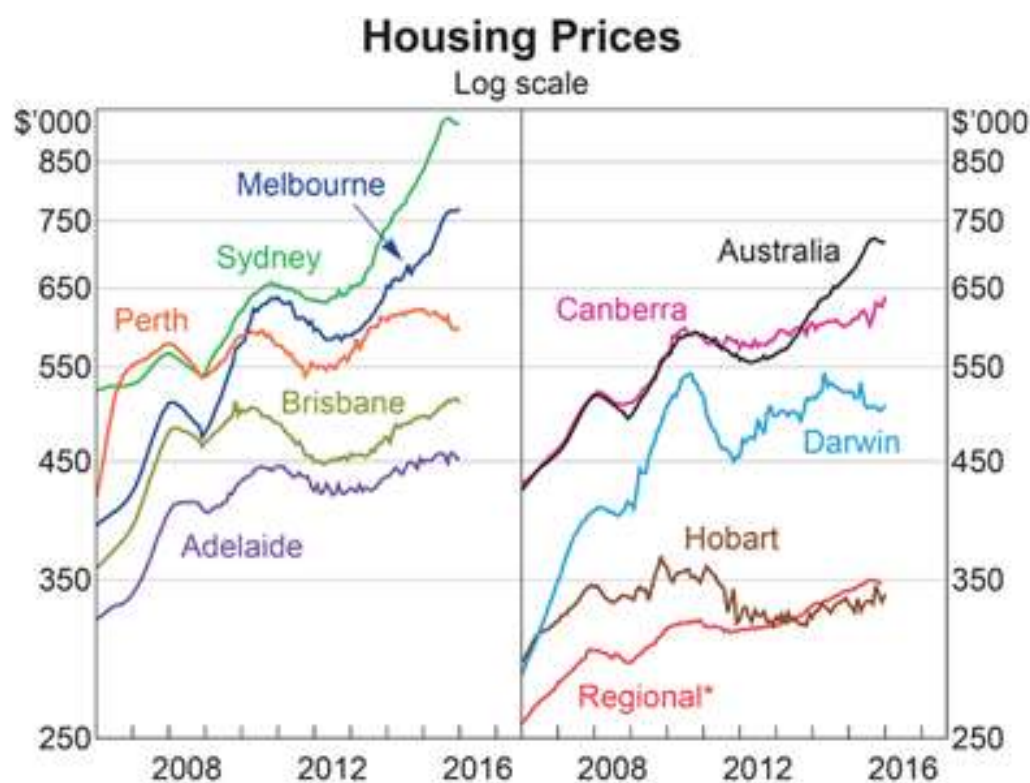
AUSTRALIAN REAL ESTATE MARKET

With a total area of 7.69 million square kilometres, Australia is the world's largest island. The continent makes up 3700 kilometres from north to south and 4000 kilometres from east to west. Australia is the world's sixth largest nation by area.

Despite its large land area Australia is one of the most urbanised countries in the world with most of the population living in cities. In a survey of the world's most liveable city, Australia has a total of 4 cities that sit in the top 10. Melbourne was ranked the world's most liveable city in 2015 with Adelaide in 5th place, followed by Sydney in 7th place and Perth in 8th place.

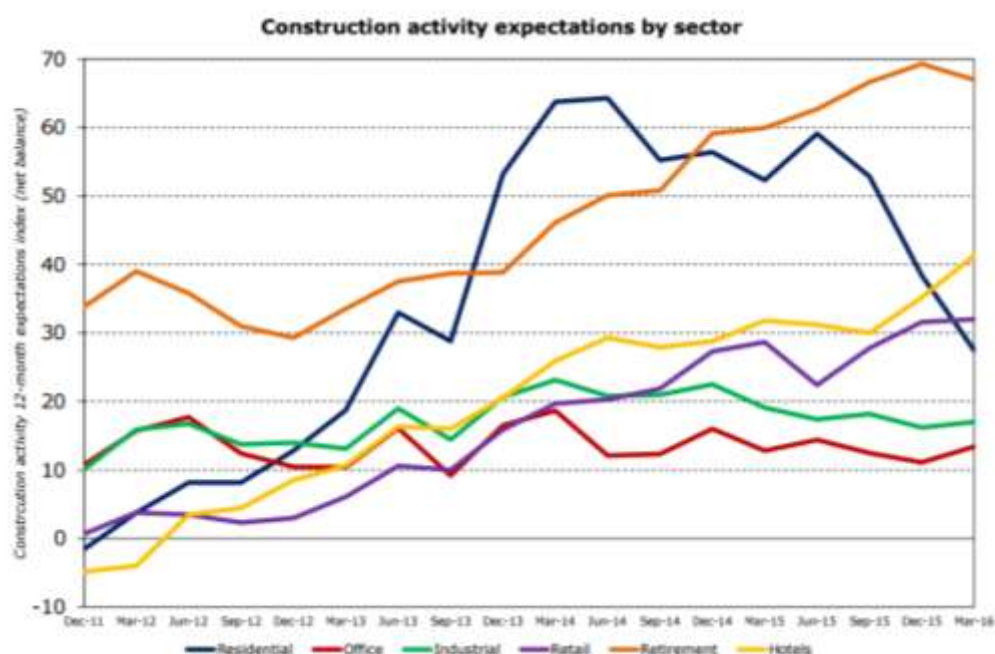
Australia's current population is 24.0 million with a current annual population growth rate of 1.4%.

With a strong economy and low interest rates and strong demand from international investors Australia's property market has been performing well in recent years. Construction activity in Australia has also been solid.



* Excludes apartments; measured as areas outside of capital cities in mainland states

Sources: CoreLogic RP Data; RBA



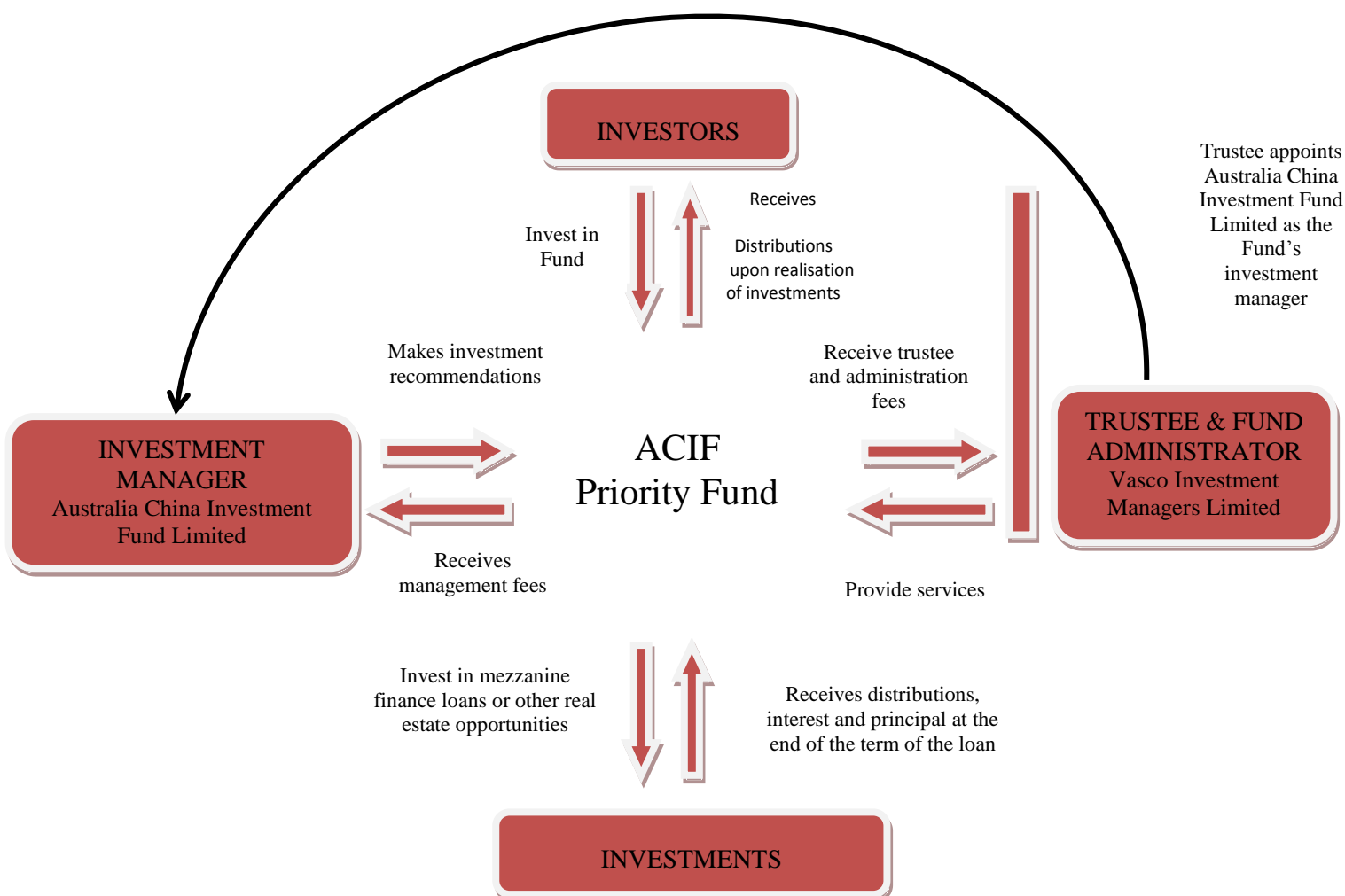
Source: www.propertyoz.com.au

3. STRUCTURE OF THE FUND

OVERVIEW

The Fund is an Australian unregistered unit trust.

The parties involved in the Fund can be represented as follows:



Investors will become unit holders in the Fund and will subscribe for units in the Fund in accordance with the terms of the Fund Agreements, which will set out the rights of unit holders and rules for the establishment and operation of the Fund. Units will be issued on a partly paid basis and Investors will be required to pay the balance of the unit price upon receipt of a Call Notice. If an Investor fails to pay a call by the date specified in the relevant Call Notice, then the Investor's units may be forfeited by the Trustee and the Investor will not receive any returns from the Fund.

Investors should note that the Trustee does not intend to allow redemptions of units during the Term as the Fund is unlikely to be liquid.

Investors will be entitled to transfer their units with the Trustee's consent, which will not be unreasonably withheld.

The Fund is expected to terminate after settlement of the property contract of the last remaining investor in the Fund.

Investors should also note that their units may be the subject of mandatory redemption in certain circumstances described in the Trust Deed, including if the Trustee considers that the redemption of the units would be in the best interests of all of the Investors in the Fund.

The Fund does not expect to make distributions to Investors after the Initial Period until the redemption of the Investor's investment.

The Fund will not have any borrowings.

GOVERNANCE STRUCTURE OF THE FUND

The trustee of the Fund is Vasco Investment Managers Limited. Vasco Investment Managers Limited is the holder of an AFSL (No. 344486). The Trustee is regulated by the Australian Securities & Investments Commission (ASIC).

The Trustee is responsible for the management of the Fund and has appointed a third party, Australia China Investment Fund Limited as Investment Manager, to perform the investment management activities for the Fund.

Australia China Investment Fund Limited is a corporate authorised representative of D H Flinders Pty Ltd under AFSL No 353001.

More information about the Investment Manager and the Trustee is set out in section 4.

4. MANAGEMENT OF THE FUND

THE TRUSTEE

Vasco Investment Managers Limited is part of an investment management group that provides responsible entity, trustee, fund administration and distribution services to Australian and international investment managers.

The Vasco team have significant experience in the Asia Pacific region in the management of equity funds, fixed income funds, REITs, private equity real estate funds, real estate securities funds, and mortgage and real estate debt funds.

Some of the funds Vasco's executives have developed include the \$600 million Australian Unity Healthcare Property Trust and the \$1billion AIMS AMP Capital Industrial REIT listed on the SGX.

The directors of Vasco were responsible for establishing the Australian Unity Funds Management Limited and MacarthurCook Limited real estate funds management businesses as well as establishing the Asian platform for industrial real estate manager, Goodman Group.

Clients of Vasco have included Mawson Opportunity Fund, D H Flinders Microcap Equity Fund, Infrastructure Partners Investment Fund, Vital Healthcare Property Fund, Residential Property Fund, EMR Capital Pty Ltd, Phillip Asset Management Limited and Morgan Stanley.

As trustee of the Fund, Vasco will manage the Fund in accordance with the Trust Deed and its duties and obligations under Australian law. Importantly, Vasco will have regard to the best interests of Investors in all decisions that it makes with respect to the Fund.

THE INVESTMENT MANAGER

The Investment Manager of the Fund is Australia China Investment Fund Limited.

Australia China Investment Fund Limited was formed to bring together a team with business and investment expertise and experience in both China and Australia for the benefit of Investors wanting to invest in Australia and take advantage of the Special Investment Visa program.

All board members are highly qualified and have considerable experience in a wide range of business and investment areas.

In addition the board has an extensive network of specialist advisers in the real estate and construction industries.

Directors of Australia China Investment Fund Limited include:

John Wang

John is the Managing Director of Australia China Investment Fund Limited and holds a Master of Laws from the University of Sydney and a Bachelor of Laws from Peking University.

John has over 28 years' experience in international investment, business and immigration services. With expertise in law and migration John identifies business opportunities for migration to Australia and assists overseas investors with their legal requirements.

John's past directorships include serving as an Executive Director of Oliver Hume Australia Property Income Fund, which is managing a circa \$80 million fund, investing in property developments.

James Forbes

James is a Director of Australia China Investment Fund Limited. He is also Group Managing Director of a large industrial company in Australia, a Director of a Sino-Australian joint venture company in China and of a specialised investment group that manages investment into Australian agriculture.

He has had extensive experience in the senior management of wide range of businesses in Australia and China, as well as over 20 years' experience in the management of investment funds in the Australian and China market places.

Ian Mortley

Ian is a Director of Australia China Investment Fund Limited. Ian is qualified as a Chartered Accountant and holds a Masters of Business Administration and a Diploma of Financial Planning. He specialises in business planning and valuation and has considerable experience in residential property investment.

Ian is also the Company Secretary of Australia China Investment Fund Limited.

Selena Xu

Selena is a Director of Australia China Investment Fund Limited. She holds a Masters of Business Administration from Nanyang Technology University of Singapore.

Selena has over 20 years' experience in stock exchange, investment banking and equity investment. She was a director and senior manager of Fountaininvest Partners, Fortune Capital and Guangcai 49 Holding in China. Selena has extensive investment experience in real estate, equipment manufacturing, health care, consumer services, culture industry and modern agriculture.

5. INVESTMENT PROCESS

OVERVIEW

The Investment Manager implements a stringent, systematic and documented process for all Investment decisions that is the subject of this Offer) – the process of which has been documented in a detailed investment policy.

The key steps in the investment process are:

- Origination of investment opportunities sourced through the comprehensive networks, extensive industry knowledge and contacts;
- Evaluation of investment opportunities involving the consideration of material matters in relation to the opportunity, the investment strategy and criteria of the Fund and the construction of a detailed valuation and cash flow model;
- Development of indicative transaction terms which are subject to due diligence and relevant Investment Manager board approvals;
- Detailed due diligence will be conducted covering commercial, technical, tax and legal matters and using expert advisers as appropriate;
- Development of an investment proposal will be submitted to the Investment Committee setting out the reasons as to why the Trustee should proceed with the investment;
- To the extent to which there are potential conflicts, the Investment Committee will consult with the Trustee to seek approval for the investment to proceed; and
- After the investment has been entered into the Investment Manager will wherever possible work closely with the Developer to enhance the value of the Investment.

The Fund investment policy sets out the detailed process and procedures, in relation to such matters as accounting, taxation and custodial arrangements that will be carried out by the Trustee and the Investment Manager in relation to the ongoing management and administration of the Fund.

POST ACQUISITION MONITORING OF INVESTMENT

The Investment Manager will closely monitor the performance and progress of the investment and the development. The basis of the ongoing, post-acquisition management will be the initial investment recommendation and forecast prepared for the initial investment.

The Investment Manager will incorporate the results of the above ongoing monitoring in the annual reporting to Fund Investors and in the ongoing valuation of each asset.

6. SUMMARY OF MAJOR TERMS

Summary of Terms

The following constitutes a summary of the principal terms of the Fund and the Offer.

This summary of terms:

- is provided only for the purposes of gaining a general understanding of the proposed Offer described herein;
- may only be provided to a person who is (and by viewing this Memorandum you are representing and warranting that you are) not a 'retail client' under the Corporations act;
- must not be distributed or otherwise provided to any person other than the person to whom it was first given; and
- has been prepared without taking into account the objectives, financial situation or needs of any individual Investor.

Each prospective investor should consult with independent counsel regarding the matters set forth in Memorandum, including the risks which are described in Section 7, as well as any other legal, business, tax, accounting, or other related matters relevant to an investment by such investor in the Fund in order to gain a full understanding of the Fund and the Offer.

Before making an investment decision in relation to the Fund, potential Investors should review the Fund Agreements (an in particular, the Trust Deed for the Fund), in their entirety. Copies of the Fund Agreements will be provided to each prospective investor before acceptance of any subscription.

The terms of the Offer are subject to change without notice.

The Fund	<p>The Fund has been formed as a unit trust established under, and governed by, Australian law.</p> <p>The Fund has been established by and will be operated by the Trustee.</p>
The Investment Manager	Australia China Investment Fund Limited has been appointed as the Investment Manager and will provide investment management services.
Offering Size	<p>The only restriction on the amount that can be raised by the Trustee is the Developer's need for funding. However, there is no restriction on the amount that can be raised under the Fund Agreements.</p> <p>The Trustee is seeking aggregate applications in the amount of A\$20 million in respect of the Fund. However, the Trustee may accept applications for a greater value of units if the Developer requires further funding. In addition, the Trustee may elect to proceed with the Fund if less than A\$20 million is subscribed, subject to agreement with the Developer.</p>
Minimum Commitment	The minimum aggregate applications required to be made by an Investor will be A\$500,000, although investments of lesser amounts may be accepted at the sole discretion of the Trustee.

Unit Price	The price of a Unit of the Fund is expected to remain at \$1.00 for the term of the Fund. Units will be issued on a partly paid basis, meaning that 5% of the aggregate Unit price will be required to be paid on application. The balance will be payable upon the issue of a Call Notice by the Trustee.
Forfeiture	If an Investor fails to pay the balance outstanding upon receipt of a Call Notice, then the Investor will forfeit their units in the Fund, will cease to be an Investor and will not receive any returns from the Fund. Importantly, Investors will not be repaid the amount they have paid into the Fund. This amount will be paid to the Investment Manager and the Trustee for the work involved in establishing the Fund and for managing the Fund investments without the additional capital investment
Distributions	<p>Distributions of income (if any) are expected be paid within 14 days of the end of each quarter while the Application Amount is held in cash (which is expected to be for the Initial Period only).</p> <p>As the Trustee will not receive interest payments from the mezzanine finance loan or a return on any real estate related investment until the end of the Term, the Trustee does not anticipate making regular distributions from the Fund once the investment has been entered into.</p> <p>Distributions will be calculated on a unit day basis in accordance with the Trust Deed.</p> <p>The Trustee may decide not to distribute amounts which it reasonably considers necessary for operating or funding such Investments and to create, if it considers this to be in the Investors' best interests, appropriate reserves for the obligations and activities, as well as for any required tax withholdings. Taxes paid or withheld that are allocable to one or more Investors will be deemed to have been distributed to such Investors for the purposes of determining the above calculations.</p>
Investment Management Fee	The Trustee will pay Australia China Investment Limited an annual management fee for acting as Investment Manager of the Fund. The management fee payable in respect of the investment management services will comprise a management fee of up to 3% of the gross asset value of the Fund (plus GST) per annum paid six monthly in arrears.
Trustee Fee	<p>The Trustee is entitled to receive an establishment fee of \$9,500 (plus GST) and an annual fee for acting as trustee of the Fund. This annual fee will be equal to the greater of:</p> <p>(c) \$22,500 (plus GST); or</p> <p>(d) 0.1% (plus GST) per annum of the gross asset value of the Fund.</p> <p>This fee will be paid monthly in arrears out of the assets of the Fund (and</p>

will be calculated by multiplying the amount of the Fund's gross asset value by 0.1% (plus GST) per annum, subject to a minimum annual fee).

The Trustee is also entitled to a document review and execution fee of \$500.00 for the review and execution of documents associated with each particular investment that the Fund makes and for facilitating the transfer of the redemption proceeds to facilitate the settlement of properties for Investors. If there are multiple documents for an acquisition (acquisition agreement, borrowing agreement etc.) only one fee is paid.

The Trustee will also be paid a base fee of up to \$25,000 (plus GST) per annum for providing all of the administration services to the Fund. This amount is subject to an annual increase of 3% per annum.

Offering and Organisational Expenses

The Trustee will pay out of the assets of the Fund all legal, accounting, and filing, travel and other out-of-pocket fees and expenses incurred in connection with establishing the Fund and the offering of interests therein.

The costs of establishing the Fund are not expected to exceed \$50,000 (plus GST).

Other Expenses

Except as specifically agreed by the Trustee, the Trustee will pay out of the assets of the Fund, all expenses related to its operation, including fees, costs, and expenses of the Fund, the Trustee and the Investment Manager (including travel and related expenses) incurred in connection with the investments of the Fund (including investments that are not consummated) and the acquisition, financing, holding, sale, proposed sale or valuation of any investment (including the Management Fee, the fees and expenses of the Trustee, fees and expenses of the independent members of the Investment Manager (including a proportional share of the costs of directors' and officers' liability insurance for such independent members of the Fund Investment Committee), all litigation-related and indemnification expenses, fees of auditors, fees of due diligence consultants (including, without limitation, financial, physical and environmental consultants) and counsel, administrative expenses, costs of holding Investor meetings, costs of preparation of tax returns and any taxes, fees or other governmental charges levied against the Trustee, in its capacity as trustee of the Fund.

The Investment Manager and the Trustee will each pay all of their own general overhead expenses, including the compensation of its personnel who act on their behalf relating to their duties and responsibilities.

Transfer of Interests

Units may not be sold, transferred, pledged or assigned by an Investor without the prior written consent of the Trustee (which may be given or withheld in the Trustee's sole and absolute discretion and such discretion will be exercised in the best interest of the Investors). No trading market will exist for the units in the Fund.

Notwithstanding the foregoing, but subject to requirements of applicable law and other conditions set forth in more detail in the Fund Agreement,

the Trustee will not unreasonably withhold its consent to the transfer by an Investor of all or a portion of such Investor's units to any entity that is wholly owned by or under common ownership with such Investor.

**Withdrawal/
Redemption**

Although the Trust Deed permits the withdrawal or redemption of units in the Fund at the discretion of the Trustee, the Trustee does not currently intend to permit Investors to voluntarily withdraw any amount from the Fund during the Term.

Investors should also note that their units may be redeemed by the Trustee in certain circumstances specified in the Trust Deed, including if the Trustee determines, in its sole and absolute discretion that it would be in the best interests of Investors to do so.

Indemnification

The Trustee is entitled to be indemnified out of the Fund 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.

The Investment Manager is similarly entitled to be indemnified by the Trustee (out of the assets of the Fund) for all claims, losses, liabilities, damages, costs and expenses ("Costs") incurred by them in relation to the performance of their role as Investment Manager. However, the Investment Manager is not entitled to be indemnified by the Trustee and will be liable to the Fund for any Costs arising as a result of their fraud, gross negligence, wilful default or material breach of the agreement under which they are appointed.

**Application
Matters**

Persons interested in investing in the Fund are required to complete and return to the Trustee the application forms for the Fund and Identity Verification Forms, copies of which will be made available to each prospective investor. Applications may be rejected in whole or in part in the Trustee's sole discretion.

Amendments

The terms of the Trust Deed may be amended by the Trustee, subject to the Trustee's duties and obligations to Investors. The Trustee will not make any amendments to the Trust Deed that it considers would be materially adverse to Investors, without seeking the approval of Investors.

**Investor
Meetings**

Investors holding at least 15% of the votes that may be cast on the resolution may call a meeting.

Reports

The Trustee will furnish Investors with financial statements for the Fund and tax information necessary for the completion of Investor tax returns on an annual basis.

On an annual basis, financial statements will be provided to Investors as soon as practicable after the end of the financial year.

Investors may not disclose information contained in any report without the consent of the Investment Manager or as required by law.

Affiliated

The Investment Manager, the Trustee and their affiliates will be entitled to

Parties	engage their affiliates to provide corporate advisory services to the Fund in respect of Investments made by the Fund (including, without limitation, underwriting, arranging, corporate transaction advice and other similar investment banking services). Amounts payable by the Fund to such affiliates for its performance of any such services for the benefit of the Trustee will be on market terms and will be reviewed by the independent members of the board on an annual basis. For clarity, such fees will not offset the Management Fee.
Related Party Transactions	The Trustee and Investment Manager may engage in related party transactions when viewed as being in the best interest of Investors.

7. RISK FACTORS

All investments involve varying degrees of risk. While there are many factors that may impact on the performance of any investment, the section below summarises some of the major risks that Investors should be aware of when investing in the Fund.

Before investing, prospective investors should consider whether the Fund is a suitable investment, having regard to their personal investment objectives, financial position, and particular needs and circumstances. Investors should also consider and take into account the level of risk with which they are comfortable, the level of returns they require, as well as their frequency and nature, and their investment time horizon. Investors should seek professional advice in setting their investment objectives and strategies.

The risks described below are not exhaustive and whether a risk is specifically referred to in this section or not, that risk may have a material effect on the performance and value of the Fund. Importantly, Investors should note that the value of an investment in the Fund, and income received by Investors, may rise or fall and, consequently, Investors may suffer losses (including the loss of all of their capital investment in the Fund).

Manager Risk

The Trustee and Investment Manager may elect to retire or may be replaced as the trustee or investment manager of the Fund or the services of key personnel of the Trustee and Investment Manager may become unavailable for any reason.

There is always a risk that the Trustee and Investment Manager may fail to identify and adequately manage the investment and property management risks in the Fund's portfolio and thus affect the ability to pay distributions or reduce the value of the units.

Operational risks of the Trustee and the Investment Manager include the possibility of systems failure, regulatory requirements, documentation risk, fraud, legal risk and other unforeseen circumstances.

By investing in Fund, the Fund is relying on the ability of the Trustee and its investment professionals to achieve the Fund's objectives. If the Trustee and/or its investment professionals were not to continue in their respective roles, the Fund may not be able to achieve its objectives.

Legal, Regulatory and Compliance Risk

Changes in government legislation, regulation and policies generally could materially adversely affect the operating results of the Fund. Although unable to predict future policy changes, the Investment Manager intends to manage this risk by monitoring and reacting to any potential regulatory and policy changes.

The operation of a funds management business in Australia is subject to significant regulation by Australian government authorities including without limitation the ASIC, the Australian Transactions Reporting and Analysis Centre, the Foreign Investment Review Board and the Australian Consumer and Competition Commission. There is a risk that the Fund may not comply at all times with its various obligations under government regulations

and this may result in the loss of authorisations of the AFSL held by the Trustee thereby preventing the continued operation of the Fund.

Income Risk

There is also a risk that investing in the Fund may give different results than investing individually because of income and capital gains accrued.

Diversification Risk

The Investments may be exclusively in a single mezzanine finance loan or other real estate related investment. As such, the Fund may not be diversified by sector or number of investments and the Fund will be exposed to any events which have an adverse effect on the investment (including factors impacting on the particular development, the Developer or the real estate sector generally).

Liquidity Risk

The Fund is an illiquid investment.

An investment in the Fund should be viewed as illiquid. There is currently no secondary market for units in the Fund and it is unlikely that any active secondary market will develop. There are substantial restrictions upon the transferability of Fund interests under the Fund Agreements and applicable securities laws.

You should only consider an investment in this Fund if you are not likely to require access to your investment for the Term (noting that the Term could be extended by the Trustee).

Tax Risk

Tax regulations can change and changes can be adverse. Investors should consider their own circumstances before investing.

General Investment Risks

The returns from investments in property financing are affected by a range of economic factors, including changes in interest rates, exchange rates, inflation, general share and property market conditions, government policy (including monetary and taxation policy and other laws), fluctuations in general market prices for property, shares, bonds and other tradeable investments and the general state of the domestic and world economies.

The value of units can fall as well as rise due to circumstances affecting the economy generally, or to other factors which may affect the value of the properties in which the Fund may invest.

There may be increases in supply or falls in demand in any property market sector or geographic region. Therefore, there is no guarantee that the Fund will experience capital gains on the disposal of investments or those fluctuations in distributions will not occur.

Property Risk

There may be external influences from time-to-time, including unforeseen items of expenditure which have not been budgeted for and loss of revenue, which adversely affect the income of the Fund. These may result in a reduction of distributions and returns.

Performance and Portfolio Risks

These risks relate to the performance of property assets, which may impact on the Developer's ability to repay the investment and may include:

- inability to sell a property due to a depressed property market or at the time of disposal, the sale price is less than the original purchase price;
- damage to a building as a result of fire, tempest, malicious damage, earthquake, etc. (however, these risks will be insured against);
- risk that the Fund will be involved in disputes or litigation; and
- changes in income tax, indirect tax or stamp duty legislation or policy may affect the Fund's returns.

Development risk

As the Trustee may be making a loan to the Developer for the purposes of undertaking a residential development, the returns to that Developer will be relevant to the ability of the Developer to pay the interest and repay the amount borrowed. Developers are subject to additional property related risks including risks associated with:

- cost overruns on one or more aspects of the developments causing the cost to complete to be more than forecast, potentially causing financial distress for the Developer (and in some instances, meaning the development cannot be completed);
- delays due to the fault of the particular developer or other unforeseen events including environmental or regulatory constraints; and
- other general property related risks.

Operating History

The Fund has no operating history upon which Investors may base an evaluation of its likely performance. The success of the Fund will depend on the Investment Manager's ability to carry out the proposed investment strategy successfully and the ability of the Developer to meet return and capital repayment obligations. There can be no assurance that the Fund's investments will achieve the targeted rate of return.

Return of Capital

The return of capital and the realisation of gains, if any, generally will occur upon repayment of the investment. While it may be possible to sell the investment, it is not generally expected that this will occur and accordingly, Investors must be aware that there is unlikely to be any return of capital or payments on the investment for the Term.

Debt Investments

A loan, as a debt investment, is subject to interest rate risk and the risk that the issuer or the guarantor of the security will be unable or unwilling to make timely principal and/or interest payments. Any Fund debt investments are likely to be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Further, such investments may not be protected by financial covenants or limitations on the issuer's incurrence of additional indebtedness. Investor demand, changes in the financial condition of issuers, government fiscal policy and domestic or worldwide economic conditions, among other factors, may affect the market price and yield of debt securities. There is no minimum credit rating for the debt securities in which the Fund may invest.

Fees and Expenses

The Fund will incur fees and expenses regardless of whether it is profitable. For example, the Fund will pay management fees whether or not it makes any profits. In addition, the Fund will also be required to pay annual management fees whether it is fully invested or not. The Fund must therefore make sufficient profits from its investments to avoid depletion or exhaustion of its assets from these and other expenses. The Trustee and the Investment Manager expect to incur significant fees and expenses in seeking to source, evaluate, structure, negotiate, close, monitor and exit investments including, but not limited to, financial, legal, technical, regulatory, commercial advisers, engaged to assist the Trustee and the Manager in seeking to source, evaluate, structure, negotiate, close, monitor and exit investments. There can be no assurance that the Fund will be successful in being able to recover these fees and expenses from successfully closed investments. These amounts may be significant and could have an adverse impact on the return that Investors might otherwise realise.

Currency Risk

The Fund's investments will be dominated in Australian dollars and therefore the weakening of a country's currency relative to the Australian dollar will negatively affect the value of the Fund's from the perspective of an international investor. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, central bank policy, and political developments.

Thinly-Capitalised Management

The Investment Manager does not have any material independent financial resources. If an action or claim is brought against the Investment Manager and such claim is not covered by the professional indemnity or directors' and officers' insurance policies arranged by or on behalf of the Investment Manager, the Fund cannot assure that the Investment Manager will

have sufficient financial resources to cover any amounts payable under any such claim. The Fund is reserved to certain sophisticated investors who are required to be aware of the risks involved in an investment in property and who accept that they will have recourse only to the Fund's assets in existence at any given time.

Other Risks

It is important to note that not all risks can be foreseen. It is therefore not possible for the Investment Manager to protect the value of the Fund's investment from all risks. Investors should ensure they obtain appropriate professional advice regarding the suitability of an investment in the Fund having regard to their individual circumstances, including investment objectives, their level of borrowings, their financial situation and individual needs.

Neither the Trustee nor Investment Manager guarantees the repayment of capital or the performance of the Fund.

Conflicts of Interest Risks

The Trustee and its directors may develop advisory and other relationships with a wide variety of clients and investors. As a result of obligations that arise from those relationships, including obligations of confidentiality, certain potentially suitable investment opportunities of which the Trustee becomes aware may not be offered or disclosed to the Fund.

The Investment Manager is entitled to receive from borrowers and retain for its own purposes a loan establishment fee of 4.5% (plus GST) of any mezzanine finance loan advanced by the Trustee, in its capacity as trustee of the Fund. This fee is to cover costs incurred by the Investment Manager in establishing the Fund and the costs of raising capital. This fee may potentially create a conflict of interest in that the payment of the fee could potentially influence the due diligence process. The Investment Manager believes that any conflict of interest is mitigated by the use of independent external advisers in the due diligence process.

8. CERTAIN TAX AND REGULATORY CONSIDERATIONS

The information in this section is of a general nature and is not, nor is it intended to be, tax advice, and cannot be relied upon as such. Each Investor must take full and sole responsibility for their investment in the Fund, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of the investment. Accordingly, prospective applicants should seek personal tax advice to take into account their individual circumstances.

This summary provides an outline of the principal Australian tax consequences relating to the acquisition, holding and disposal of Units for an Investor who holds their investment in the Fund on capital account.

The summary does not address the tax implications for Investors that:

- (a) hold their Units on revenue account or as trading stock;
- (b) make an election under the Taxation of Financial Arrangements (**TOFA**) provisions that affects the recognition of income in respect of units;
- (c) are exempt from Australian tax;
- (d) are foreign residents of Australia; or
- (e) are temporary residents of Australia.

The summary does not address the tax implications for persons that invest in the Fund indirectly.

Taxation issues are complex and taxation laws, their interpretation and associated administrative practices may change over the term of an investment in the Fund. The information contained in this section is of a general nature only. It is based on, and limited to, Australian tax law and practice in effect at the date of this IM.

FUND STRUCTURE

The Fund is an unlisted, unregistered Australian unit trust scheme that will primarily invest in a mezzanine finance loan to the Developer.

The Fund structure is shown in Section 3.

FUND INCOME

The primary types of income that will be derived by the Fund will comprise interest, rental income and gains from the disposal of properties and distributions from unit trust schemes.

AUSTRALIAN INCOME TAX CONSIDERATIONS

Broadly, the Fund should not be liable to pay Australian income tax or capital gains tax (**CGT**) provided Investors are presently entitled to the Fund's income in each year and the Fund limits its activities to undertaking or controlling "eligible investment business" for Australian taxation purposes. It is intended that the Fund will be administered to achieve these outcomes.

On the basis that the Fund meets the requirements for being an eligible Managed Investment Trust (**MIT**) for tax purposes, the Trustee intends to make an election under the MIT provisions to treat the Fund's assets, such as real property, as being held on capital account.

The Federal Government has recently introduced a Bill into parliament that, if enacted will put in place a new tax system for Attribution MITs (**AMITs**). If a MIT qualifies as an AMIT, its Investors will be taxed on a fair and reasonable basis (rather than on the basis of present entitlement to trust income), having regard to their interest in the Fund. This potentially means that in some cases, Investors may be liable to pay tax on amounts they have not received. The new regime also deems MITs as fixed trusts for tax purposes. We would not expect the AMIT regime to materially change the tax treatment of Investors outlined below.

These changes may impact how the Fund and Investors are taxed in the future.

Tax Treatment of Investors

Taxation of distributions to Australian residents

The basis for the allocation of the Fund's net (taxable) income to Investors will depend on whether the Fund elects to be treated as an AMIT or not.

If the Fund does not elect to be treated as an AMIT- Investors must include in their assessable income a share of the net (taxable) income of the Fund. This share (i.e. proportion) will be determined by reference their share of the income of the Fund to which they are presently entitled as at 30 June of each financial year.

If the Fund elects to be treated as an AMIT – the Investors of the Fund must include in their assessable income their “determined members component”, which broadly speaking is the trustee's allocation of the net (taxable) income of the Fund to each Investor as determined on a fair and reasonable basis in accordance with the Fund's constituent documents (e.g. the Fund's constitution, this Information Memorandum , etc.).

Due to the deferred interest aspect of the Fund, Investors may be subject to tax on an accruals basis even if the trust has not physically made any cash distributions.

If the cash distribution to an Investor exceeds an Investor's allocation of the Fund's net (taxable) income, the excess (known as a “tax deferred distribution”) will generally not be assessable to the Investor. This can arise as a result of timing differences between taxable income and accounting income. However, any such distribution will reduce the Investor's CGT cost base on their Units. Once the cost base of the Units has been reduced to nil, further tax deferred amounts are assessable as capital gains to the Investor under CGT event E4 or E10 if the Fund is an AMIT.

If the Fund is treated as an AMIT the Investors may be able to increase their tax cost base of their units if the total taxable determined member components (i.e. the Fund's net (taxable) income assessed to the Investors) exceeds the cash distributed for the excess. This increase to the cost base will occur as a result of CGT event E10.

The Trustee will provide an annual tax statement to each Investor setting out details of any taxable income components, non-assessable components and capital gains (if any) paid by way of distribution in the financial year.

Taxation of distributions to non-resident investors

The income distributed to Investors is expected to comprise of predominantly interest income. Consequently, when the Fund has made a distribution to a non-resident Investor the interest income component of the distribution paid to non-residents will be subject interest withholding tax at a rate of 10%. So long as the interest withholding tax is paid to the

Australian Tax Office, no further income tax would be expected to be payable by the Investor on interest income.

Tax losses incurred by the Fund

The Fund will not be able to distribute any tax losses incurred in an income year (if any). However, provided the relevant tax loss carry forward rules that apply from time to time are satisfied, the Fund will be able to carry forward those losses and use them in a future income year to offset assessable income.

Net capital losses of the Fund may be carried forward to offset any future capital gains made by the Fund.

Tax implications of disposing of Units

Investment in the Fund is illiquid and is not intended to be transferred. However, if for any reason Investors dispose of their investment in the Fund, the disposal of Units would generally be a “CGT event”. It is expected that the Fund’s investment will be returned to Investors at cost. Therefore, it is not anticipated that any capital gains or losses will arise as a result of the investment.

Other issues

Tax file number or Australian business number declaration

It is not compulsory for an Investor to provide their tax file number (**TFN**) to the Trustee. However, if an Investor does not provide their TFN (or in certain circumstances an Australian Business Number) or claim a valid exemption, then the Trustee will be required to withhold tax from any distribution from the Fund at the highest marginal rate (plus the Medicare Levy and the Budget Repair Levy), currently 49%.

Goods and Services Tax (GST)

GST should not be payable in respect of the acquisition, disposal or withdrawal of Units, nor in respect of any distributions paid by the Fund.

The Fund will not be entitled to claim input tax credits for the full amount of the GST component of some expenses. However, for some of these expenses, a reduced input tax credit may be claimed. The non-recoverable part of the GST component of any expenses is taken into account as an expense of the Fund.

STAMP DUTY

As the register of the Fund will be maintained in Victoria, no marketable securities duty is payable on the transfer of units in the Fund. Land rich or landholder duty may be payable in the issue, redemption or transfer of Units in any Australian jurisdiction where the Fund owns or has an interest in land.

ANTI-MONEY LAUNDERING REGULATIONS

The Trustee is required to comply with the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (“AML/CTF Law”). This means that the Trustee will require potential Investors to provide personal information and documentation in relation to their identity when they invest in the Fund. The Trustee may need to obtain additional information and documentation from Investors to process applications or subsequent transactions or at other times during the period of the investment.

The Trustee may need to identify:

- (a) an Investor prior to purchasing units in the Fund. The Trustee will not issue units until all relevant information has been received and an Investor's identity has been satisfactorily verified; and
- (b) anyone acting on behalf of an Investor, including a power of attorney.

In some circumstances, the Trustee may need to re-verify this information.

By applying to invest in the Fund, Investors also acknowledge that the Trustee may decide to delay or refuse any request or transaction, including by suspending the issue or withdrawal of units in the Fund, if it is concerned that the request or transaction may breach any obligation of, or cause the Trustee to commit or participate in an offence under, any AML/CTF Law, and the Trustee will incur no liability to Investors if it does so.

FOREIGN INVESTMENT REVIEW BOARD (FIRB)

Where the Fund provides a debt interest to the developer and is not acquiring any interest in the underlying investment (the property or development), the Fund should not be subject to any FIRB issues.

If the Fund invests in other real estate related investments, then FIRB rules should be considered.

If the Fund Investors are predominantly entities that are domiciled and operated outside Australia the Fund will be characterised as a “foreign person” for purposes of the Foreign Acquisitions and Takeovers Act 1975 (Cth) (“FTA”), meaning that acquisitions of Australian assets by the Fund will be subject to the review processes contemplated by the FTA.

The Australian Government has established, under the FTA, related regulations and foreign investment policy, investment thresholds for foreign persons. Generally, the effect of these is that the acquisition of any asset (including shares in a company, instruments convertible into shares in a company and direct Project equity) for a consideration of \$A252 million or less and, in the case of shares in a company, for the acquisition of 15% or less of the fully-diluted issued capital of the company will be approved automatically on a notification-only basis. However, other requirements apply in respect of residential real estate, vacant land and shares or units in companies or unit trusts that have 50% or more of the value of their assets in Australian urban land. Other requirements also apply to the acquisition of interests in developed commercial real estate.

The Trustee will consult with investors in relation to the applicable FTA requirements from time to time, having regard to the nature of the proposed investments.

All of the investments by the Fund will be under this threshold and thus not require specific approval.

9. LEGAL AND ADDITIONAL INFORMATION

Summary of important documents

The following is a summary of material documents relevant to the Fund. The material documents are:

1. Trust Deed
2. Investment Management Agreement
3. Corporate Authorised Representative Agreement
4. Distribution Direction

Trust Deed

The Trust Deed is the primary document that governs the way the Fund operates and sets out many of the rights, liabilities and responsibilities of both the Trustee and Investors.

Each unit generally gives you an equal and undivided interest in the Fund. However, your interest in the Fund may be limited to the amount which you have paid up on your Unit.

However, a Unit does not give you an interest in any particular part of the Fund. Subject to the Trust Deed, as an Investor you have the following rights:

- The right to share in any distributions;
- The right to attend and vote at meetings of Investors; and
- The right to participate in the proceeds of winding up of the Fund.

The Trust Deed contains provisions about convening and conducting meetings of Investors.

We can amend the Trust Deed without the approval of Investors provided we reasonably consider the changes will not adversely affect your rights. The Trust Deed can also be amended by a special resolution passed by Investors.

A copy of the Trust Deed is available free of charge by contacting the Trustee on +613 8352 7120.

Investment Management Agreement

The Investment Management Agreement is between the Investment Manager and the Trustee under which the Investment Manager provides investment management services to the Fund.

The Investment Management Agreement sets out the Investment Manager's obligations to the Trustee and to the Fund. The agreement also contains the fees payable to the Investment Manager for its services.

The Investment Management Agreement will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Trustee if the Investment Manager is in material breach of the agreement, and that breach has not been remedied after a certain time. There are also provisions allowing the Trustee and Investment Manager to terminate if, for example, either party becomes insolvent.

Corporate Authorised Representative Agreement

The Investment Manager is a corporate authorised representative (Number: 001239775) of D H Flinders Pty Ltd ACN 141 601 596 (AFSL no. 353001).

The Investment Manager's authorisation is limited to its role as Investment Manager of the Fund and does not extend to any other business that the Investment Manager conducts, or services that the Investment Manager provides.

Distribution Direction

If an Investor or nominee has entered into a contract to acquire a residential property from the Developer the Investor may sign a Distribution Direction pursuant to which the Trustee is directed to pay any distributions (of capital, including on a winding up) payable to the Investor (after the expiration of the Initial Period) directly to the Developer, to fund (in whole or in part) the purchase of the property under the contract.

Importantly, the acquisition of any residential property by an Investor does not form part of an investment in the Fund and accordingly, the Trustee has no rights or obligations with respect to the property contract.

Investors should note that the direction to pay distributions (of capital on a winding up) is irrevocable, except where the Developer is insolvent.

ADDITIONAL INFORMATION

Before the consummation of the offering, the Trustee will provide to each prospective Investor and such Investor's representatives and advisors, if any, the opportunity to ask questions and receive answers concerning the terms and conditions of this offering and to obtain any additional information that the Trustee may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such prospective investor. Any such questions should be directed to the Trustee. No other persons have been authorised to give information or to make any representations concerning this offering, and if given or made, such other information or representations must not be relied upon as having been authorised by the Trustee.

This Memorandum is intended to present a general outline of the policies and structure of the Fund, the Trustee and the Investment Manager. Each prospective Investor should thoroughly review the Fund Agreements, which specify the rights and obligations of the Investors. The Summary of Principal Terms of certain provisions of the Fund Agreements contained herein is necessarily incomplete and is qualified in its entirety by reference to such agreement. Copies of the Fund Agreements will be made available upon request.

PRIVACY

Investors will be required to provide personal information to make an investment in the Fund. The Trustee and service providers to the Trustee or the Fund may collect, hold and use

potential Investors' personal information in order to assess applications, service their needs as a client or investor, provide facilities and services to Investors, the Trustee or the Fund and for other purposes permitted under the *Privacy Act 1998* (Cth). Tax and company law also require some of the information to be collected in connection with applications. If a potential Investor does not provide the information requested or provides incomplete or inaccurate information, their application may not be able to be processed efficiently, or at all. Investors' information may be disclosed to the Trustee's agents and service providers on the basis that they deal with such information in accordance with the Trustee's privacy policy.

An Investor's personal information may also be used to administer, monitor and evaluate products and services, gather, aggregate and report statistical information, assist the Investor with any queries and take measures to detect and prevent fraud and other illegal activity. The Trustee may also be allowed or obliged to disclose information by law and to report on risk management matters. Any Investors who have concerns about the completeness or accuracy of the information the Trustee has about them or who would like to access or amend their personal information held by the Trustee should contact the Trustee. Investors who wish to receive a copy of the Trustee's privacy policy should also contact the Trustee.

CONSENTS

Australia China Investment Fund Limited has given their written consent to be named in the Memorandum in the form and context in which they are named and have not withdrawn their consent prior to the date of this Memorandum.

11. APPLICATIONS FOR UNITS

10.1 Applications for units

An application for units can only be made by completing and lodging the “Application for Units” form that is attached to this Memorandum (“Application”). Instructions relevant to completion of the application are set out in the form.

A completed and lodged application, together with payment of the relevant application monies which are required to be paid on initial application (being 5% of the overall investment) should be returned to the Trustee at the address shown on the application form. This will constitute a binding and irrevocable application for the number of units noted on the application.

If the application for units is not completed correctly or if the payment of the application monies is for the wrong amount, it may still be treated as a valid application at the sole discretion of the Trustee. However, where the payment is an amount which is less than 5% of the overall issue price for the number of units applied for, the application will be deemed to be for the lower number of units.

The Trustee reserves the right to reject an application (in whole or in part) without reason.

Applications along with the initial part payment of application monies should be emailed, faxed, mailed or delivered to:

Vasco Investment Managers Limited
Level 5, 488 Bourke Street Melbourne, Victoria, 3000, Australia
T +61 3 8352 7120 F +61 3 8352 7199 E info@vascofm.com

All application money payments should be made as follows:

1. By cheque:

Cheques should be made out to “Vasco Investment Managers Limited ATF ACIF Priority Fund and crossed “Not Negotiable”. No application will be processed until the cheque has been cleared.

2. By electronic transfer:

Electronic transfers should be made to “Vasco Investment Managers Limited ATF ACIF Priority Fund c/o **Macquarie Bank – BSB: 182 512, Account: 963985593** and identified by the name of the person or entity making the transfer (including ACN or ABN) where applicable. The Macquarie Bank Swift Code is MACQAU2SXXX.

All application monies received in relation to the Offer will be held in the account of the Trustee until allotment.

10.2 Unit Allotment

Applications will be processed and units issued on a first-come, first-served basis. Early lodgement of applications is recommended as the Offer may be closed early at the discretion of the Trustee.

An application for units constitutes an offer by the applicant to subscribe for units on the terms and subject to the conditions set out in this Memorandum. Where the number of units

allotted is less than the number of units applied for or where no allotment is made, the surplus application monies will be returned to the applicant by cheque within 14 days of the relevant closing date. Interest will not be paid on refund application monies.

10.3 Minimum Investment

The minimum investment in applying for units is \$500,000.

The offer of subscription for units in respect of the Offer is expressly restricted to wholesale clients as defined in the Corporations Act.

By lodging an application for units in respect of the Offer contained in this Memorandum, the Investor declares and warrants to the Fund that the Investor is and will remain a wholesale client as defined in the Corporations Act.

The Trustee has the discretion to accept applications of less than \$500,000 but greater than \$250,000.

Application Form

ACIF
PRIORITY FUND



Use this application form if you wish to invest in:

ACIF Priority Fund (Fund)

The Fund's Information Memorandum (IM) includes information about purchasing units in the Fund. Any person who gives another person access to the application form must also give the person access to the IM and any incorporated information. You should read the IM and any incorporated information before completing this application form.

The trustee of the Fund is Vasco Investment Managers Limited (Vasco) ABN 71 138 715 009, AFSL 344486. Vasco or a financial adviser who has provided an electronic copy of the IM and any incorporated information, will send you a paper copy of the IM and any incorporated information and application form free of charge if you so request.

Customer identification

If you are a new investor, you are also required to complete the relevant Customer Identification Form (FSC/FPA forms) depending on what type of investor you are e.g. individual or super fund. The Customer Identification Forms are available on our website www.vascofm.com or by calling our Investor Services team on 03 8352 7120.

Australia's Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) legislation obliges us to collect identification information and documentation from prospective investors.

Investors are required to complete this Application Form together with the relevant Customer Identification Form and send these to us with the required identification documentation. We will not be able to process your Application without a correctly completed Customer Identification Form and the required identification documentation.

Important Information for Financial Advisers

When using this Customer Identification Form, please complete Sections 1 or 2 and 3.

If you are a financial adviser who has identified and verified the investor, by completing this Customer Identification Form together with the verification procedure and in the consideration of Vasco Investment Managers Limited (Vasco) accepting the investor's application:

- you agree to identify and verify all new investors, using this Customer Identification Form or the industry standard FSC/FPA Identification Form for identifying new investors
- you agree to retain a copy of the completed forms and all identification documents received from the investor in the investor's file for seven (7) years after the end of your relationship with the investor
- you agree to advise Vasco in writing when your relationship with the investor is terminated and agree to promptly provide Vasco all identification documents and/or the record of identification received from the investor at this time, or as otherwise requested from Vasco, from time to time.

Contact details

Mail your completed application form and identity verification documents to:

Vasco Investment Managers Limited
Level 5, 488 Bourke Street
Melbourne VIC 3000

If you have any questions regarding this form or the required Customer Identification requirements, please contact our Investor Services team on 03 8352 7120.

Checklist

Before sending us your application please ensure you have:

- ☐ completed this form in full;
- ☐ for new investments, completed the relevant 'Identity Verification Form' available on our website www.vascofm.com;
- ☐ if paying via direct debit, completed section 10 ensuring ALL bank account signatories have signed;
- ☐ if paying via cheque, ensure cheque is made payable to 'Vasco Investment Managers Limited <ACIF Priority Fund>' and attach it to this application form;
- ☐ If you wish to make a distribution direction, complete, sign and attach this form; and
- ☐ read the declaration and provided all relevant signatures.

Application Form

ACIF
PRIORITY FUND



PLEASE USE BLOCK LETTERS AND BLACK INK TO COMPLETE THIS APPLICATION FORM

1. Investor type

- ☐ Individual investor – also complete 'Customer Identification Form – Individuals and Sole Traders'
- ☐ Joint investors – also complete 'Customer Identification Form – Individuals and Sole Traders'
- ☐ Sole Trader – also complete 'Customer Identification Form – Individuals and Sole Traders'
- ☐ Super Fund – also complete 'Customer Identification Form – Superannuation Funds and Trusts'
- ☐ Trust – also complete 'Customer Identification Form – Superannuation Funds and Trusts'
- ☐ Australian company – also complete 'Customer Identification Form – Australian Companies'
- ☐ Other – contact our Investor Services team on 03 8352 7120 for other Customer Identification Forms.

2. Investor name

2A. Individual investor/joint investors/sole trader

Investor 1

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms) Date of birth

Business name of sole trader (if applicable)

Investor 2

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms) Date of birth

2B. Super fund/Trust/Australian company/other

Name of entity

2C. Account designation (if applicable)

Provide the name of the person for whom the investment is being made (if applicable). Please note we do not accept investments from people under 18 years of age; however, investments may be designated on their behalf.

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms)

We are only required to act on instructions from the investors listed in 2A and 2B. Vasco is not bound to take any notice of any interest of any person listed in 2C.

3. Contact details

This is the address where all correspondence will be sent.

Contact person	<input type="text"/>																				
Unit number	<input type="text"/>				Street number	<input type="text"/>															
Street name	<input type="text"/>																				
Suburb	<input type="text"/>																				
State	<input type="text"/>			Postcode	<input type="text"/>																
Country	<input type="text"/>																				
Phone (after hours)	<input type="text"/>										Phone (business hours)	<input type="text"/>									
Mobile	<input type="text"/>										Facsimile	<input type="text"/>									
Email	<input type="text"/>																				

4. Tax information

It is not against the law if you choose not to give your TFN or exemption reason, but if you decide not to, tax may be taken out of your distributions at the highest marginal tax rate (plus Medicare levy).

4a. Individual investor or entity

TFN	<input type="text"/>									
Tax exemption	<input type="text"/>									
ABN	<input type="text"/>									

4b. Investor 2 (joint investors)

TFN	<input type="text"/>									
Tax exemption	<input type="text"/>									

4c. Non-residents

If you are an overseas investor, please indicate your country of residence for tax purposes.

<input type="text"/>																			
----------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

5. Investment allocation and payment options

Please indicate how you will be making your new or additional investment and the amount you wish to invest.

I/we are making my/our investment via:

☐ Direct Credit/EFT → see below.

☐ Cheque → make cheque payable to 'Vasco Investment Managers Limited <ACIF Priority Fund>'.

Fund name	Investment
ACIF Priority Fund – investment amount	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Amount required to be paid on application (5% of total investment amount)	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

The minimum initial investment is \$500,000.

Cheque Instructions: Cheques or drafts must be made payable to Vasco Investment Managers Limited ATF ACIF Priority Fund. Only cheques or drafts in Australian currency and drawn on an Australian bank will be accepted. Your cheque(s) should be crossed NOT NEGOTIABLE. Mail or deliver your completed Application Form with your cheque(s) to:

Vasco Investment Managers Limited
Level 5, 488 Bourke Street
Melbourne, VIC, 3000
P +61 3 8352 7120 F +61 3 8352 7199 E info@vascofm.com

Direct Credit / EFT Instructions

Alternatively you can direct credit your application funds to:
Vasco Investment Managers Limited ATF ACIF Priority Fund
Macquarie Bank
BSB 182 512
Account number 9639 85593
Please note the applicants name when transferring the funds.

6. Income distributions

Please indicate how you would like your income distributions to be paid by crossing (X) one box only. If this is a new investment and no nomination is made, distributions will be reinvested. A nomination in this section overrides any previous nominations. There may be periods in which no distribution is payable, or we may make interim distributions. We do not guarantee any particular level of distribution.

- ☐ Please pay in accordance with Distribution Direction.
- ☐ Please credit my/our nominated bank account provided in section 8 with my/our income distributions.

7. Annual report

- ☐ A copy of the annual report for the Fund will be provided on the Vasco website www.vascofm.com. Please cross (X) this box if you wish to receive a paper copy of the annual report(s) for the Fund. If you choose to have an annual report mailed to you, it will be mailed to the address provided in section 3 or your current address on file for existing investors. For additional investments, a nomination in this section overrides any previous nominations.

8. Nominated bank account (must be an Australian financial institution)

Unless requested otherwise, this will also be the bank account we credit any withdrawal proceeds and/or distributions if you requested these to be paid to you and not reinvested. By providing your nominated account details in this section you authorise Vasco to use these details for all future transaction requests that you make until notice is provided otherwise. **For additional investments, a nomination in this section overrides any previous nominations.**

[illegible]

9. Declaration and applicant(s) signature(s)

Please read the declarations below before signing this form. The signatures required are detailed at the bottom of this form.

I/We declare that:

- all details in this application and all documents provided are true and correct and I/we indemnify the Trustee of the Fund against any liabilities whatsoever arising from acting on any of the details or any future details provided by me/us in connection with this application;
- I/we have received a copy of the current IM and all information incorporated into the IM to which this application applies and have read them and agree to the terms contained in them and to be bound by the provisions of the current IM (including the incorporated information) and current constitution (each as amended from time to time);
- I/we have legal power to invest in accordance with this application and have complied with all applicable laws in making this application;
- I/we have received and accepted this offer in Australia;
- the details of my/our investment can be provided to the adviser group or adviser named at the end of this form or nominated by them by the means and in the format that they direct;
- if this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it);
- sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the company;
- I/we have read and understood the terms and conditions for the use of telephone and fax and release and indemnify Vasco from and against any liabilities whatsoever arising out of it acting on any communications received by telephone and fax under those terms;
- unless alternative authority for signature is notified to and accepted by Vasco, the person/persons that signs/sign this form is/are able to operate the account on behalf of the company and bind the company for future transactions, including in respect of additional deposits and withdrawals, including withdrawals by telephone and fax;
- I/we acknowledge that I/we have read and understood the information under the heading 'Protecting your privacy' contained in the relevant IM. I am/We are aware that until I/we inform Vasco otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading and I/we have consented to my/our financial adviser providing such further personal information to Vasco as is required or reasonably deemed necessary by Vasco under applicable law;
- I/we understand that if I/we fail to provide any information requested in this application form or do not agree to any of the possible use or disclosure of my/our information as detailed on the IM, my/our application may not be accepted by Vasco and we agree to release and indemnify Vasco in respect of any loss or liability arising from its inability to accept an application due to inadequate or incorrect details having been provided;
- I/we acknowledge that none of Vasco, or any other member of Vasco or any custodian or investment manager, guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution;
- I/we are bound by the Constitution and that an application for Units is binding and irrevocable;
- I/we have not relied on statements or representations made by anybody, other than those made in the IM;
- I/we agree and acknowledge no cooling off period applies and I/we have had the opportunity to seek independent professional advice on subscribing for Units;
- I/we agree to pay the balance of our investment amount upon receipt of a call notice from the Trustee;
- I/we acknowledge that failure to pay a call will result in me/us losing our investment in the Fund.

9. Declaration and applicant(s) signature(s) (continued)

- I/we agree and acknowledge Vasco is required to comply with the anti-money laundering laws in force in a number of jurisdictions (including the Financial Transactions Reports Act 1988 (Cth) and I/we must provide Vasco with such additional information or documentation as Vasco may request of me/us, otherwise my/our Application for Units may be refused, Units I/we hold may be compulsorily redeemed, and any disposal request by me/us may be delayed or refused and Vasco will not be liable for any loss arising as a result thereof;
- I/we have provided a tax file number, and if not, I/we consent to Vasco withholding tax at the highest marginal tax rate;
- I/we agree and acknowledge that property investment and development is risky and the estimates and forward looking statements included in this IM are subject to significant variation due to timing, terms of commercial agreements, timing of commercial agreements, approval turnaround, construction and/or refurbishment costs and other such risks, and as such may not prove to be correct.

I/We also warrant and acknowledge that:

- All information contained in my/our Application is true and correct;
- I/we are not a foreign investor nor am I/we subject to the reporting requirements of FATCA;
- I/we are not a Politically Exposed Person (PEP) as defined by the AML/CTF legislation;
- I/we are a "wholesale client" for the purposes of section 761G of the Corporations Act and relevant information has been provided to confirm this and by investing in this Fund I/we will not cause any breach of the Corporations Act by or for Vasco;
- if the Applicant is a SMSF, it is compliant and investing in this Fund complies with the Superannuation Industry Supervision Act 1993 (Cth); and
- I/we hold the appropriate authorisations to become an Investor in the Fund and that offer cannot be revoked.

Refer to list of signatories on page 6 of this application form

Investor 1

Signature	<div></div>	Date	<div></div> / <div></div> / <div></div> <div></div>
Surname	<div></div>		
Given name(s)	<div></div>		
Capacity	<input type="checkbox"/> Sole Director <input type="checkbox"/> Director		
(company investments only)			

Investor 2 (joint investors)

Signature	<div></div>	Date	<div></div> / <div></div> / <div></div> <div></div>
Surname	<div></div>		
Given name(s)	<div></div>		
Capacity	<input type="checkbox"/> Director <input type="checkbox"/> Company Secretary		
(company investments only)			

COMPANY SEAL
(if applicable)

10. Adviser use only

Office name	<input type="text"/>
Surname	<input type="text"/>
Given name(s)	<input type="text"/>
Title (Mr/Mrs/Miss/Ms)	<input type="text"/>
Phone (business hours)	<input type="text"/>
Adviser group	<input type="text"/>
Adviser group AFSL	<input type="text"/>
Adviser Signature	<div><input type="text"/></div>
Date	<input type="text"/>

ADVISER STAMP

Important notes

This application must not be handed to any person unless the relevant IM and access to the information incorporated into the IM is also being provided. Vasco may in its absolute discretion refuse any application for Units. Persons external to Vasco or other entities who market Vasco products are not agents of Vasco but are independent investment advisers. Vasco will not be bound by representations or statements which are not contained in information disseminated by Vasco. Application monies paid by cheques from investment advisers will only be accepted if drawn from a trust account maintained in accordance with the Corporations Act.

Signatories

The table below provides guidance on completing the Declaration and applicant(s) signature's section of the application form. Before signing the application form please ensure you have read the declaration.

Type of investor	Names required	Signature required	TFN/ABN to be provided
Individual and/or joint investors	i. Full name of each investor (please do not use initials).	Individual investor's; or each joint investor's	Individual investor's; or each joint investor's
Sole trader	i. Full name of sole trader; and ii. Full business name.	Sole trader's	Sole trader's
Australian company	i. Full company name as registered with ASIC; and ii. Name of each director of the company; and iii. Name of each beneficial owner where their holding is 25% or greater.	i. Sole director's; or ii. Two directors'; or iii. One director's and company secretary's	Company's
Trust/Superannuation fund If you are investing on behalf of a superannuation fund, we will assume the superannuation fund to be a complying fund under the Superannuation Industry (Supervision) Act.	i. Full trust/superannuation fund name (e.g. Michael Smith Pty Ltd ATF Michael Smith Pty Ltd Super Fund); and ii. Full name of the trustee(s) in respect of the trust/super fund (either individual(s) or business name). Please note, if any of the trustees are an Australian company, all information in the 'Australian company' section must also be completed; and iii. Names of beneficiaries (if identified in Trust Deed).	Individual trustee(s) 'as trustee for' If any of the trustees are an Australian company, the signatures set out in the 'Australian company' section are also required.	Superannuation fund's or trust's
Account designation	Name of the responsible adult, as the investor.	Adult(s) investing on behalf of the person/minor	Adult(s)
If the investment is being made under Power of Attorney (POA) Please ensure an original certified copy of the POA is attached to the application form. Each page of the POA must be certified.	i. Full name of each investor(s) (as listed in section 3); and ii. Full name of person holding POA (underneath signature).	Person holding Power of Attorney In the case that the POA document does not contain a sample of the POA's (i.e. Attorney's) signature, please provide a certified copy of either the POA's driver's licence or passport containing a sample of their signature.	Individual investor's; or each joint investor's

SCHEDULE - OFFERING LEGENDS

It is the responsibility of any persons wishing to subscribe for interests to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of interests, and any foreign exchange restrictions that may be relevant hereto.

AUSTRALIA

This Memorandum may not be circulated or distributed and no offer for subscription or purchase of the units offered hereby, nor any invitation to subscribe for or buy such interests has been made or issued, directly or indirectly, in Australia, other than to prospective investors who are wholesale clients as defined in section 761G of the Corporations Act in an offer exempt from the disclosure requirements of Part 7.9 of the Corporations Act. Further, the units offered hereby may not be resold in Australia within a period of 12 months after the date of issue otherwise than by means of an offer exempt from the disclosure requirements of Part 7.9 of the Corporations Act.

This Memorandum is not a prospectus or product disclosure statement under the Corporations Act and is not required to be, and has not been, lodged with the Australian Securities and Investments Commission. To the extent that information in this Memorandum constitutes financial product advice, it is general financial product advice only, is provided by the Trustee and does not consider the specific objectives, financial intentions or needs of any particular person. Each person considering subscribing for interests should read this Memorandum in full before making a decision to acquire any interests. There is no cooling-off regime in Australia that applies in respect of the issue of the interests.

CHINA

The units are not being offered or sold and may not be offered or sold, directly or indirectly, to the general public in the People's Republic of China ("PRC") (for such purposes, not including the Hong Kong and Macau Special Administrative Region or Taiwan). This Memorandum or other offering materials has not been filed with or approved by the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Region or Taiwan) authorities, and is not an offer of securities (whether IPO or private placement) within the meaning of the PRC securities law or other pertinent laws and regulations of the PRC. This Memorandum shall not be offered to the general public if used within the PRC, and the interests can only be offered or sold to PRC investors that are authorised to engage in the purchase and sale of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licenses themselves, including without limitation any which may be required from the State Administration of Foreign Exchange, the China Banking Regulatory Commission, and complying with all relevant PRC regulations.

HONG KONG

The Fund has not been authorised by the Securities and Futures Commission in Hong Kong, accordingly, the units cannot be offered or sold in Hong Kong, by means of any document, other than to "professional investors" as defined in the Securities and Futures Ordinance

(cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; nor may any person issue, or possess for the purposes of issue, any advertisement, invitation or document relating to the interests, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the units which are, or are intended to be, disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

PAYMENT AUTHORITY AND DIRECTION

TO: Vasco Investment Managers Limited (ABN 71 138 715 009)
 Level 5, 488 Bourke Street
 Melbourne VIC 3000 Australia
(Trustee)

FROM:

[Name and address of investor] (**Investor**)

1. The Trustee is the trustee of the ACIF Priority Fund (**Fund**).
2. The Investor has applied to become / is an investor in the Fund.
3. The investor or their nominee has entered a contract to acquire the property whose details are set out below:
4. Property description:
 Developer:
 Price: Deposit:
 Developer's solicitor:
 Name of nominee if any:
5. The Trustee has an obligation, pursuant to clauses 10 and 25 of the Trust Deed of the Fund to distribute any amount to which the Investor is entitled to the Investor.
6. The Investor hereby authorises and directs the Trustee (or any duly appointed agent of the Trustee) to make all distribution payments (of capital) after the Initial Period (whether on a winding up or otherwise) to the developer named above (**Developer**) to be applied towards settlement of the acquisition of the property described above by the Investor pursuant to a contract dated [].
7. In this Direction, Initial Period means the period between the date on which the Investor becomes an investor in the Fund and the date on which the Trustee has called for, and received the balance of the application monies for the units.
8. This direction is irrevocable, except in the case of the insolvency or administration of the Developer.

Executed as a **deed poll**

Signed, sealed and delivered by:
 Investor

Name of witness:

Signature of witness:

DIRECTORY

TRUSTEE

Vasco Investment Managers Limited
Level 5
488 Bourke Street
Melbourne Victoria 3000
Australia
Telephone +613 8352 7120

INVESTMENT MANAGER

Australia China Investment Fund Limited

Level 13 Freshwater Place
2 Southbank Boulevard
Southbank Melbourne Victoria 3006
Australia

Level 32
101 Miller Street
North Sydney NSW 2060
Australia

Telephone 1300 008 882