# Supplementary Information Memorandum
# ACIF Priority Fund

*This supplementary information memorandum (Supplementary IM) is dated 27 April 2018 and supplements the information memorandum (IM) dated 18 August 2017 for the ACIF Priority Fund (Fund) issued by Vasco Investment Managers Limited ACN 138 715 009, AFS licence no. 344486 (Trustee) as trustee for the Fund. This Supplementary IM has been prepared by the Trustee in conjunction with the investment manager for the Fund, Australia China Investment Fund Ltd ACN 607 032 655 (Manager). The Manager is a corporate authorised representative (AR no. 001234748) of the D H Flinders Pty Ltd ACN 141 601 596, AFS licence no. 353001.*

*This Supplementary IM contains important information that updates the IM and must be read in conjunction with the IM. In particular, this Supplementary IM has been issued to provide updated information about the ICAM Duxton Port Infrastructure Trust (ICAM Trust) into which the Fund will invest by acquiring units in the ICAM Trust, specifically changes to the financing structure and the timing for development of the port at Lucky Bay and the second port at Wallaroo in South Australia.*

*Prospective Investors should consider the IM and this Supplementary IM in deciding whether to acquire Units in the Fund. Applications to invest in the Fund can only be made on an Application Form which accompanies this Supplementary IM. This Offer is only available to certain people receiving the IM and Supplementary IM (electronically or otherwise) in Australia or Singapore as specified in the IM.*

*The information contained in the IM and Supplementary IM is general information only and has been prepared without taking into account your objectives, financial situation or needs. Therefore, in deciding whether to acquire an investment in the Fund, you should consider the IM and Supplementary IM and assess, with or without your financial or taxation adviser, whether the product fits your objectives, financial situation or needs.*

*To the maximum extent permitted by law, neither the Trustee nor the Manager make any promise or representation or give any guarantees as to the success of the Fund, the payment or amount of any distributions or the amount you will receive on withdrawal or wind-up; or as to the amount or rate of any income or capital return or as to the taxation consequences of investing in the Fund.*

*Words and expressions defined in the IM have the same meaning in this Supplementary IM. Except to the extent amended by this Supplementary IM and / or updated on our website, the IM remains in force.*

## Update to Section 6 – Investment Strategy of the ICAM Trust

ICAM Duxton No 1 Pty Ltd ACN 620 090 824 (ICAM Trustee), as trustee for the ICAM Trust has formulated a revised debt financing structure as well as some changes to the timing for the full Lucky Bay Port development. According to the ICAM Trustee:

- The purpose of the restructure is to enable appropriate commencement debt finance to be sought and to allow the project to generate cash-flow prior to finalising and drawing on a debt facility to fund the entire project development.
- The restructure means that the ICAM Trustee proposes to undertake construction of the Lucky Bay Port in two stages and accordingly, debt finance for the Lucky Bay port development will be in two tranches.
- The first tranche of debt finance will be for $30m and be repayable in two and a half years. The first tranche of debt together with the equity investment in the ICAM Trust will fund enough development to enable the Lucky Bay Port to undertake its proposed grain export operations. This first stage involves building the Lucky Bay Port bunkers, upcountry Lock storage bunkers, the port material handling systems, dredging of the access channel and completion of transhipment vessel build (which is expected to be delivered in October 2018).
- The second tranche of debt financing will not be required for 18 to 24 months and is anticipated to have a longer maturity (term) of 3 to 5 years. This second stage of the construction programme involves the building of the on-site storage silos and fertiliser import facilities. The on-site silos account for an additional 30,000 tonnes of grain storage. Upon completion of this development, total storage capacity including the silos will be approximately 580,000 tonnes. This phase of construction is expected to be completed by 2020.

- Both tranches will be refinanced when they expire following completion of the full construction and will enable the Lucky Bay Port to be in a position of producing regular cash-flows, which will assist in attracting favourable debt refinancing at a lower average cost of debt.
- This proposed revised debt structure requires the ICAM Trust to raise a total of $36 million in equity capital (of which $10 million in equity would need to be raised between now and November 2018).

### Section 6.1.1 – Capital Expenditure Required for Lucky Bay

The table in Section 6.1.1 of the IM is deleted and replaced with the following table which sets out the ICAM Trustee's revised capital expenditure requirements and timing to reflect the revised construction programme and proposed debt financing for Stages 1 and 2 of the Lucky Bay port development.

| **Lucky Bay Stage 1** | **Initial IM - Capex ($m)** | **Supplementary IM - Capex ($m)** | **Difference ($m)** | **Status & Expected Completion** |
|---|---|---|---|---|
| Existing Port | $30.00 | $30.00 | - | Funded & Completed |
| Transhipment Vessel | $21.00 | $21.40 | +$0.40 | Under construction. Delivery in October 2018 |
| Dredging and Wharf Preparation | $1.35 | $1.35 | - | October 2018 |
| Design, Prelims, Approvals, Contingencies | $4.50 | $4.40 | -$0.10 | |
| Port Civils, Concrete, Silos, Elevators | $21.90 | $9.70 | -$12.20 | November 2018 |
| Bunkers Lucky Bay | $14.10 | $14.10 | - | October 2018 |
| Bunkers Lock | $7.90 | $7.90 | - | October 2018 |
| Fertiliser Shed and Associated Works FY 19 | $10.10 | N/A | -$10.10 | |
| Transaction Fees, Working Capital & Capitalised Interest | $4.90 | $4.90 | - | |
| Total Enterprise Stage 1 | $115.75 | $93.75 | -$22.00 | |
| Gross Asset Value Stage 1 | | $88.70 | | |

| **Lucky Bay Stage 2** | | **Supplementary IM - Capex ($m)** |
|---|---|---|
| Silos | | $17.50 |
| Fertiliser | | $10.50 |
| Total Enterprise Stage 2 | | $121.75 |
| Gross Asset Value Stage 2 | | $115.00 |

### Section 6.2.4 – Wallaroo Port Development

The table in Section 6.2.4 of the IM is deleted and replaced with the following table which sets out the ICAM Trustee's revised capital expenditure requirements and timing for the Wallaroo Port development.

| **Wallaroo** | **Capex Requirements** | **Indicative Completion** |
|---|---|---|
| Bunkers | $7.7 million | June 2019 |
| Port Development | $7.7 million | June 2019 |
| Port and Silo Storage Bunkers | $21.3 million | August 2019 |
| Contingencies/ WC/ Transaction Costs | $6.1 million | Ongoing |
| **TOTAL** | **$42.8 million** | |

## Section 8 – ICAM IM and Supplementary IM

Further details in relation to the ICAM Trust are available from that trust's information memorandum dated 24 July 2017 as supplemented and updated under its supplementary information memorandum dated 9 February 2018 or from the ICAM Trustee.

## Important Notice

The terms set out in the section of the IM headed, "Important Notice", apply to this Supplementary IM as if they are repeated in this Supplementary IM. Investors should carefully read those terms including the information under the heading, "Restrictions on Distribution" contained in the "Important Notice" section of the IM.

## Questions

If you have any questions in relation to this Supplementary IM, then please contact the Trustee or the Manager as follows:

*Trustee—Vasco Investment Managers Limited*

| | |
|---|---|
| *Address* | Level 5, 488 Bourke Street<br>Melbourne 3000 Victoria |
| *Email* | info@vascofm.com |
| *Website* | www.vascofm.com |
| *Phone* | + 61 3 8352 7120 |
| *Fax* | + 612 8352 7199 |

*Manager—Australia China Investment Fund Ltd*

| | |
|---|---|
| *Address* | Level 13, Freshwater Place<br>2 Southbank Boulevard<br>Southbank Melbourne 3000<br>Australia |
| *Phone* | 1300 008 882 |

# Application Form
## ACIF Priority Fund
## Infrastructure Performance Units

AUSTRALIA CHINA INVESTMENT FUND

Vasco Fund Services

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

### 1. Investor type

- ☐ Individual investor or 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 – Regulated Trusts including SMSFs'
- ☐ Trust – also complete 'Customer Identification Form – Unregulated Trusts & Trustees
- ☐ Australian company – also complete 'Customer Identification Form – Australian Companies'
- ☐ Foreign company – also complete 'Customer Identification Form – Foreign 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/ Foreign 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

Unit number  Street number

Street name

Suburb

State  Postcode

Country

Phone (after hours)  Phone (business hours)

Mobile  Facsimile

Email

## 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

Tax exemption

ABN

### 4b. Investor 2 (joint investors)

TFN

Tax exemption

### 4c. Non-residents

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

## 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 ATF ACIFPF'.

| Fund name | Investment Amount |
|---|---|
| ACIF Priority Fund – Infrastructure Performance Units | $ , , .00 |

The minimum initial investment is AUD500,000.

**Cheque Instructions:** Cheques or drafts must be made payable to Vasco Investment Managers Limited ATF ACIFPF. 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

Alternatively you can direct credit your application funds to:

**Direct Credit / EFT Instructions for AUD investment**

Vasco Investment Managers Limited ATF ACIFPF

Macquarie Bank

BSB - 182 512

Account number - 963985593

Swift Code - MACQAU2SXXX

Please note the applicant's name when transferring the funds.

## 6. Annual report

☐ I wish to receive a copy of the annual report.

## 7. Nominated bank account

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.**

Financial institution

Branch

Account name

Branch number (BSB) ___ — ___

Account number

Swift code (for Accounts held outside of Australia)

## 8. 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 Supplementary IM and all information incorporated into the IM and Supplementary 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 and Supplementary 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 or Singapore;
- 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;
- 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 'Privacy' contained in the relevant IM and Supplementary 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 and Supplementary 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 Infrastructure Performance Units is binding and irrevocable;
- I/we have not relied on statements or representations made by anybody, other than those made in the IM and Supplementary 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 Infrastructure Performance Units.
- 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 Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and I/we must provide Vasco with such additional information or documentation as Vasco may request of me/us, otherwise my/our Application for Infrastructure Performance Units may be refused, Infrastructure Performance 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 and Supplementary 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 acknowledge that if Vasco reasonably believes an email or facsimile communication it receives is from me/us Vasco is entitled to rely on that email or facsimile communication and will not be liable for any loss it may suffer if it is later found the email or facsimile communication was fraudulent.

I/We also warrant and acknowledge that:

- All information contained in my/our Application is true and correct;
- I/we are not 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, if residing in Australia, a "wholesale client" for the purposes of section 761G of the Corporations Act or, if residing in Singapore, an "accredited investor" or certain other person prescribed under s305 of the Securities and Futures 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 or the Securities and Futures 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 authorisation cannot be revoked.

## 8. Declaration and applicant(s) signature(s) (continued)

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

**Investor 1**

Signature

Date ☐☐/☐☐/☐☐☐☐

Surname

Given name(s)

Capacity ☐ Sole Director ☐ Director

(company investments only)

**Investor 2 (joint investors)**

Signature

Date ☐☐/☐☐/☐☐☐☐

Surname

Given name(s)

Capacity ☐ Director ☐ Company Secretary

(company investments only)

COMPANY SEAL
(if applicable)

## 9. Adviser use only

Office name

Surname

Given name(s)

Title (Mr/Mrs/Miss/Ms)

Phone (business hours)

Adviser group

Adviser group AFSL

Adviser Signature

Date ☐☐/☐☐/☐☐☐☐

ADVISER STAMP

**Important notes**

This application must not be handed to any person unless the relevant IM and Supplementary IM and access to the information incorporated into the IM is also being provided. Vasco may in its absolute discretion refuse any application for Infrastructure Performance 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<br>ii. Full business name. | Sole trader's | Sole trader's |
| **Australian or foreign company** | i. Full company name as registered with the relevant regulator; and<br>ii. Name of each director of the company; and<br>iii. Full name of each beneficial owner* | i. Sole director's; or<br>ii. Two directors'; or<br>iii. One director's and company secretary's | Company's |
| **Trust/Superannuation fund**<br>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<br>ii. Full name of the trustee(s) in respect of the trust/super fund. Where the trustee is an individual, all information the 'Individual and Sole Traders' section must be completed. If any of the trustees are an Australian company, all information in the 'Australian company' section must also be completed; and<br>iii. Names of beneficiaries (if identified in Trust Deed).<br>iv. Full name of the settlor**<br>v. Full name of each beneficial owner | Individual trustee(s) 'as trustee for'<br>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)**<br>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<br>ii. Full name of person holding POA (underneath signature). | Person holding Power of Attorney<br>**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 |

* *Beneficial owner means an individual who ultimately owns or controls (directly or indirectly) the investors. Owns mean ownership (either directly or indirectly) of 25% or more of the investor.*

** *This is not required in some circumstances.*

# Information Memorandum

## ACIF Priority Fund

## Infrastructure Performance Unit Class

**Trustee**

Vasco Investment Managers Limited ACN 138 715 009

**Investment Manager**

Australia China Investment Fund Ltd 607 032 655

**Administration Manager**

Vasco Funds Management Pty Ltd ACN 610 512 331

# Important Notice

This Information Memorandum (**IM**) is dated 18 August 2017 and is issued by Vasco Investment Managers Limited ACN 138 715 009, holder of AFS licence number 344486, (**Trustee**), as the trustee of the ACIF Priority Fund (**Fund**).

The purpose of this IM is to provide information for prospective Investors to decide whether they wish to invest in the Fund.

The Trustee has appointed Australia China Investment Fund Ltd ACN 607 032 655 (**Investment Manager**) as the investment manager of the Fund under the Investment Management Agreement. The Investment Manager is an authorised representative (number 001234748) of D H Flinders Pty Ltd ACN 141 601 596 AFS licence number 353001.

By accepting this IM, the recipient agrees to be bound by the following terms and conditions.

**Investors to undertake own due diligence**

Information contained in this IM has been provided to prospective applicants to assist them to make an assessment of whether or not to invest in the Fund. In relation to the information contained in this IM, the Trustee and Investment Manager and their related parties, officers, employees, consultants, advisers or agents do not warrant or represent that:

- all information which is relevant to the making of an investment in the Fund has been provided in this IM; and
- all information provided under this IM is accurate or correct or does not contain misleading or deceptive statements.

Whilst the Investment Manager has taken steps to ensure that the information presented in this IM is correct, it is possible that due to factors such as the passage of time or the uncertainty in forecast details that the information contained in this IM may be inaccurate at the date of release of the IM or at a later time.

***The Trustee has not sought to verify any statements contained in this IM about the investment opportunity described herein, the Investment Manager's business or the business of any other parties named in this IM.***

Prospective Investors are strongly encouraged to undertake their own due diligence in relation to the Fund before making an investment. In addition, prospective Investors should read this IM in its entirety and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund and the information contained in this IM.

To the maximum extent permitted under the law, the Trustee and the Investment Manager disclaim any liability arising from any information provided in the IM.

By making an investment in the Fund, an investor warrants and represents to the Trustee and Investment Manager that they have undertaken their own due diligence in relation to investment in the Fund, including without limitation, in relation to the structure of the Fund and the likelihood of returns from the Fund.

**Confidentiality**

Neither this IM 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 IM is strictly prohibited without the written consent of the Trustee. In the event that the recipient does not participate in the Fund, this IM, along with all related materials, must be returned to the Trustee immediately upon demand.

**Restrictions on Distribution**

This IM 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 endeavouring 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 Units or interests in the Fund, the invitation to participate in the Fund, or to otherwise permit any public offering of Fund Units or interests in any jurisdiction other than Australia and Singapore

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 IM, the recipient is warranting that they are legally entitled to do so and the securities laws of their relevant jurisdiction do no prohibit them from acquiring Units in the Fund. Further, the person receiving and viewing this IM from the Trustee warrants that, if they reside in Australia, they are a wholesale client as defined in section 761G of the Corporations Act and, if they reside in Singapore, they are an accredited investor or certain other person prescribed under s305 of the Securities and Futures Act.

*Investors from Australia*

With respect to the Australian jurisdiction, this IM has been prepared on the basis that prospective Investors are wholesale clients or Sophisticated Investors, not retail clients (all within the meaning of the Corporations Act).

Accordingly, this IM 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.

*Investors from Singapore*

With respect to Singaporean jurisdiction, this IM has been prepared on the basis that prospective Investors are also accredited investors or certain other persons prescribed under s305 of the SFA.

Accordingly, the Fund is not authorised or recognised by the Monetary Authority of Singapore and Units in the Fund are not allowed to be offered to the retail public.

Further, this IM is not a prospectus as defined in the SFA and, accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and the offeree should consider carefully whether the investment is suitable for them.

**Summary of key documents only**

This IM 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 (available by application to the Trustee). Investments in the Fund are governed by the Constitution for the Fund and associated documents and nothing in this IM limits or qualifies the powers and discretions conferred upon the Trustee and the Investment Manager under those documents. This IM should be read in conjunction with the Constitution and associated documents for the Fund. In the event of any inconsistency between the Constitution and associated documents and this IM, then the Constitution and associated documents will prevail to the extent of the inconsistency.

**Trustee may reject and no cooling off period**

The Trustee reserves the right to evaluate any applications and to reject any or all applications submitted, without giving reasons for rejection. The Trustee and Investment Manager are not liable to compensate the recipient of this IM for any costs or expenses incurred in reviewing, investigating or analysing any information in relation to the Fund, in submitting an application or otherwise.

No cooling off period applies to the issue of Units in the Fund.

**No tax or investment advice provided**

Prospective Investors should not construe the contents of this IM as tax or investment advice.

This IM 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 IM is general advice only. This IM 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 IM, 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 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 IM.

**No representation other than this IM**

Except where expressly disclosed, the information contained in the IM 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 or their advisers as to the accuracy or completeness of any part of this IM, nor will they have any responsibility to update or supplement this IM.

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 IM, which is not in this IM. This IM supersedes any prior IM or marketing materials given prior to the issue of the IM to the extent of any inconsistency. Any information or representation in relation to the offer of Units in the Fund described in this IM not contained in this IM may not be relied upon as having been authorised by the Trustee, the Investment Manager or their advisers.

**No guarantee of performance or representations made by Trustee or Investment Manager**

None of 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 Trustee, the Investment Manager or their advisers or that the Fund's investment objectives will be achieved.

Certain of the information contained in this IM has been obtained from published sources prepared by other parties. None of the Trustee, the Investment Manager or any other person assumes any responsibility for the accuracy or completeness of such information. Except as specifically provided in the IM 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 or its advisers or any other person in respect thereof.

All statements of opinion and/or belief contained in the IM 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 IM 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 or its advisers in respect thereof. Prospective Investors are strongly advised to conduct their own due diligence including, without limitation, the potential financial, legal and tax consequences to them of investing in the Fund.

**Forward looking statements**

Certain information contained in this IM 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 IM, 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 "Risks" in Section 8 actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. .

The forward looking statements included in this IM involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Trustee and/or the Investment Manager. Actual future events may vary materially from the forward looking

statements and the assumptions on which those statements are based. Given these uncertainties, prospective applicants are cautioned to not place undue reliance on such forward looking statements.

Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or meaning in this IM are forward looking statements and subject to this disclaimer.

**Glossary**

Certain capitalised words and expressions used in this IM are defined in the Glossary. All references to dollar amounts in this IM are to Australian Dollars (**AUD**), unless otherwise stated.

**Changes**

Neither the delivery of this IM 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 and Investment Manager disclaim any liability which may arise from changes to this IM.

**Any questions regarding this IM should be directed to the Investment Manager on 1300 008 882 or the Trustee at Level 5, 488 Bourke Street, Melbourne, Victoria, 3000, Australia or +61 3 8352 7120.**

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# 1. Key Features

The table below is a summary of the key features of an investment in the Fund. It is not intended to be exhaustive. You must read the whole of this IM to obtain more detailed information before making a decision to invest in the Fund.

| | |
|---|---|
| Trustee | Vasco Investment Managers Ltd (Vasco) |
| Investment Manager | Australia China Investment Fund Ltd |
| Administration manager | Vasco Funds Management Pty Ltd |
| Fund name | ACIF Priority Fund |
| Unit class offered via this Information Memorandum | Infrastructure Performance Unit Class |
| Eligibility to Invest | Investors in the Fund must be wholesale clients, as that term is defined in the Corporations Act.<br>The Trustee has discretion whether to accept an Application. |
| Structure | The Fund is an unregistered unit trust established by the Trustee pursuant to the Constitution and is governed by Australian law. |
| 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. |
| Investment objective | The Infrastructure Performance Unit Class is a unit class of the ACIF Priority Fund that aims to provide Investors with high return/medium risk infrastructure and property development investment opportunities. |
| Target investment | ICAM Duxton Port Infrastructure Trust (ICAM Trust or Trust). The Trustee will acquire units in the ICAM Trust.<br>The ICAM Trust will acquire and develop the Assets. |
| Anticipated close date | 30 June 2018. The Trustee reserves the right to extend the close date. |
| Minimum Investment | $500,000. |
| Investment Period | Anticipated to be within 3 months of receipt of an |

| | |
|---|---|
| | investment. |
| Investment Term | It is anticipated that ICAM Trust will seek to sell its investments in 7 to 9 years. ACIF Priority Fund Infrastructure Performance Units will be redeemed following the receipt of proceeds from the redemption of its investment in ICAM Trust. |
| Total Offer amount | $20 million.<br><br>Should applications exceed the amount that the Investment Manager is seeking to raise the Trustee has the right to scale back applications. |
| Use of funds | To acquire units in the ICAM Trust. |
| Targeted return | The Infrastructure Performance Unit Class is aiming to provide Investors a return of income and capital growth that will give an IRR of over 15% pa over the period of the investment. |
| Currency hedging | The Fund will not be hedged. |
| Establishment fee | The Trustee is entitled to receive an establishment fee of $6,500, payable by the Investment Manager, for the establishment of the Infrastructure Performance Unit Class and an annual fee for acting as trustee of the Fund. This annual fee, which applies across all unit classes of the Fund, will be equal to the greater of:<br><br>(a) $22,500; or<br><br>(b) 0.10% per annum of the gross asset value of the Fund.<br><br>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% per annum, subject to a minimum annual fee).<br><br>**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.** |

| | |
|---|---|
| Administration fees | The Administration Manager is also to receive a fee of up to $25,000 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.<br><br>An additional fee of $5,000 per annum for each additional unit class beyond the first.<br><br>This fee will be increased by 3% per annum on an annual basis.<br><br>**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.** |
| Application fee | The Investment Manager will charge Investors an application fee of 2% of the sum invested |
| Investment Manager fees | The Investment Manager will charge Investors Management Fees as set out below:<br>• an initial management fee of 2% of the sum invested in year 1, which is paid within 60 days of the acceptance of an application by the Trustee<br>• for the balance of the term of the investment<br>➢ in any given year where the return does not exceed 10% of the amount invested the manager will charge a fee of 2% of the amount invested<br>➢ in any given year where the return of income and or capital does exceed 10% of the amount invested, the manager will charge a fee equal to 20% of the return. |
| Distribution policy | The Trustee expects to receive distributions of income from holding units in the ICAM Trust annually, in arrears, and will distribute income to Investors on an "as received "basis. |
| Expected capital growth | The Assets are expected to give rise to a substantial capital gain upon realisation through either a sale of the Assets or an IPO of the units in the ICAM Trust. |
| Fund currency | Australian Dollars (AUD) |
| Gearing | The Fund will not have any borrowings |
| Exit strategy | The Fund is expected to give rise to a substantial capital gain upon realization by the ICAM Trust of |

| | |
|---|---|
| | the underlying Assets |

# 2. Executive Summary

### 2.1 Overview

The Fund has been established to allow Investors the opportunity to participate in an established investment vehicle that will invest in mezzanine finance loans and other real estate related investments as well as infrastructure investments.

Various unit classes will be available for investment from time to time offering investors access to real estate and or infrastructure investments.

The different unit classes may have different rights to income, capital and distributions and may carry different fees.

***This information memorandum sets out the details of a potential investment in the Infrastructure Performance Unit Class. Should you wish to receive information on the other unit classes of the ACIF Priority Fund please contact the Trustee or Investment Manager.***

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

### 2.2 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 high return/medium risk infrastructure project.

### 2.3 Structure of the Fund

The Fund structure is as follows (also see Section 4):

i) The Fund is a unit trust established under, and governed by, Australian law.

ii) The Infrastructure Performance Unit Class will be operated as a closed-end unit class with an anticipated term of up to 9 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. The Trustee is the holder of an AFSL and is regulated by ASIC. The Trustee is an experienced trustee and manager of wholesale unit trust schemes that invest in real estate and infrastructure assets.

iv) The Trustee has appointed Australia China Investment Fund Limited, an experienced manager of real estate and real estate financing investments as Investment Manager of the Fund.

### 2.4 Investment Objective and Strategy

The Trustee is seeking to raise $20 million to acquire units in the ICAM Trust.

Returns to Investors will be dependent on distributions of income and capital to holders of units in the ICAM Trust. Returns to Investors are therefore dependent on the success of the investment in the ICAM Trust.

**2.5 Investment Opportunity**

By The ACIF Priority Fund investing in the ICAM Trust, Australia China Investment Fund Limited as investment manager of the ACIF Priority Fund aims to provide investors with the opportunity to participate indirectly in the development of the Lucky Bay port and transhipment enterprise that will include the following initial assets:

- The Lucky Bay Port Facility, strategically located in the Eyre Peninsula grain catchment zone
- A state-of-the-art shallow draft transhipment vessel with a 3,600 tonne capacity;
- On port and up-country grain storage facilities; and
- Grain handling facilities.
-

The ICAM Trust will own both the port facilities and the port operating company and will seek to develop fertiliser import facilities and have an option over a port in Wallaroo to further diversify investment risk.

This investment has been targeted by the investment manager to provide investors in the Infrastructure Performance Unit Class with an IRR in excess of 15%.

# 3. Why Invest: Market Overview

**The information in this Section 3 has been extracted from the Information Memorandum dated 24 July 2017 in relation to the ICAM Trust.**

### 3.1 Why Invest in Infrastructure?

Infrastructure assets provide fundamental services that generate productivity and facilitate economic growth. As an asset class, infrastructure encompasses a wide range of industries that are critical to the efficient operations of an economy. Infrastructure assets typically demonstrate the following characteristics:

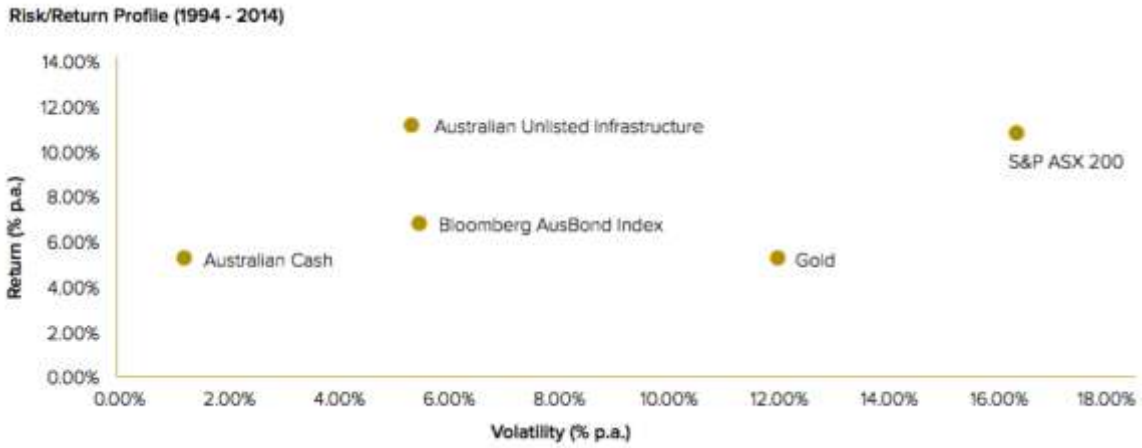
- Long duration: Infrastructure assets typically have a lifespan greater than 30 years.
- Barriers to Entry: Due to the high establishment costs, infrastructure often presents significant barriers to entry.
- Low Operational Costs: The ongoing operational costs of infrastructure are typically low.
- Stable Demand: Infrastructure assets typically provide basic services resulting in demand stability that is more resistant to business cycles.

As a result of these characteristics, infrastructure assets present an attractive investment opportunity.

The inclusion of infrastructure assets in an investment portfolio provides a number of key benefits, including:

- Relatively low correlation of returns with traditional asset classes providing diversification benefits to an investor's portfolio.
- An investment that has historically outperformed traditional assets classes such as equities and bonds.
- Relatively low volatility of returns compared with traditional asset classes such as equities and bonds.
- Relatively stable long-term yields, with the potential for capital growth.
- Investing in agricultural infrastructure has historically increased the diversification benefits when included in an investor's portfolio. Agricultural investments historically have demonstrated low correlations with traditional asset classes. Furthermore, global agriculture, between 1994 - 2014, demonstrated low correlation with unlisted infrastructure.

| Asset Class (1994 – 2014) | Returns (p.a.) | Volatility (p.a.) | Sharpe Ratio |
|---|---|---|---|
| Australian Unlisted Infrastructure | 11.60% | 5.40% | 1.21 |
| Equities | 10.35% | 16.57% | 0.32 |
| Bonds | 7.08% | 5.55% | 0.37 |
| Gold | 5.23% | 12.09% | 0.01 |




**3.2 Why Invest in Port Infrastructure?**

Port infrastructure is considered to be a patronage asset, or a demand based asset. The performance of a patronage asset is dependent on how much the service it provides is used; the more people that use the port, the better it performs.

In the case of the ICAM Duxton Port Infrastructure Trust, the performance of the port facilities included will be closely linked to agricultural production in the Eyre Peninsula. As such, performance will be directly related to the underlying drivers of this production, such as weather, productivity, yields and input costs. For example, in years with exceptional agronomic conditions, it would be expected that grain growers would produce greater yields and hence need to export higher volumes of grain through the Lucky Bay Port. It is intended that the Port will also be used for the import of fertiliser, which is expected to provide a more stable and consistent cash Flow.

The key characteristics of infrastructure as an asset class and growing international trade mean port infrastructure presents an attractive investment opportunity. Port assets typically generate revenue streams through charging its users with a toll or port fee.

This toll incorporates intake, handling, transhipment and wharfage charges and it is generally quoted on a dollar per tonne ($/t) basis. Generally, the ongoing costs of port infrastructure assets incorporate port management fees (including operational labour costs) and maintenance costs. In the case of the ICAM Duxton Port Infrastructure Trust, The Port Operating Company is able to build a port at a lower cost than traditional deep- water ports because of the transhipper technology, making the financial feasibility more attractive.

Furthermore, privately owned and operated ports tend to have significant commercial relationships with users which allows them to enhance efficiencies.

**3.3 Why Invest in Australian Ports?**

Australia is dependent on efficient port infrastructure for its trade with the rest of the world. Significant growth in Australia's international and domestic trade is expected over the next ten years. Furthermore, the Bureau of Infrastructure, Transport and Regional Economics is estimating that over the coming two decades, sea trade will double.

Domestic and international freight volumes have been growing rapidly. Australian bulk cargo exports have increased 114% over the previous decade. Australia's growth in bulk cargo exports is directly related to the country's strong trade relationships with Asia. The Asian region represents 10 of Australia's top 12 export markets.

As the Asian region continues to grow and the demand for Australian commodities increases, this trend is expected to accelerate.

Efficient port infrastructure is expected to underscore the future growth of the Australian agricultural industry and help to take advantage of this growing trade with Asia.

The ICAM Duxton Port Infrastructure Trust is well placed to capitalise on this by innovating upon the traditional port model in South Australia.

Australia's port infrastructure has not yet reached its potential in terms of efficiency. Whilst growth in Australian freight volumes has been rapid, a greater and greater portion of this freight has been transported by road and rail, as opposed to sea.

This has resulted in congestion and bottle-necks in Australian freight routes. Furthermore, the Productivity Commission has estimated that average transport costs represent approximately 20% of producers' costs.

Ports generate significant benefits to the Australian economy through assisting in the provision of essential services that support the sustainability and growth of all economic sectors. In order to improve efficiencies, reduce costs for producers and take advantage of growing international trade, Australian ports and freight supply chains will need to explore innovative solutions to eliminate congestion and disrupt the monopolistic structure of some existing supply chains. The ICAM Duxton Port Infrastructure Trust is well placed to capitalise on this.

### 3.3.1 Recent Australian Port Sales

Over the past seven years, a number of Australian ports have been privatised, including Port Botany, Port Kembla and the Port of Newcastle. The key metrics of the recent Australian port deals are outlined below. *Note that a number of these ports are large, diversified, containerised ports and hence should not be referenced for exact comparisons to what can be achieved by the Lucky Bay Port – they are provided for general background only.*

| Port | Year of Sale | Vendor | Sale Price (AUD mil) | EBITDA Multiple | Lease (Years) |
|---|---|---|---|---|---|
| Port of Melbourne | 2016 | Victorian Government | $9,700 | 25 | 50 |
| Port Botany | 2013 | NSW Government | $4,310 | 25 | 99 |
| Port Kembla | 2013 | NSW Government | $760 | 25 | 99 |
| Port of Newcastle | 2014 | NSW Government | $1,750 | 28 | 98 |
| Port of Brisbane | 2010 | Queensland Government | $2,300 | 27 | 99 |

### 3.4 Why Lucky Bay?

The Lucky Bay Port is expected to disrupt the monopolistic supply chain for grain exports in South Australia and initiate a paradigm shift in the traditional port model in the region by bringing a lower build and operating cost port to product, rather than the product to a traditional higher build and operating cost deep water port. The ICAM Duxton Port Infrastructure Trust demonstrates key attributes that make it an attractive infrastructure investment.

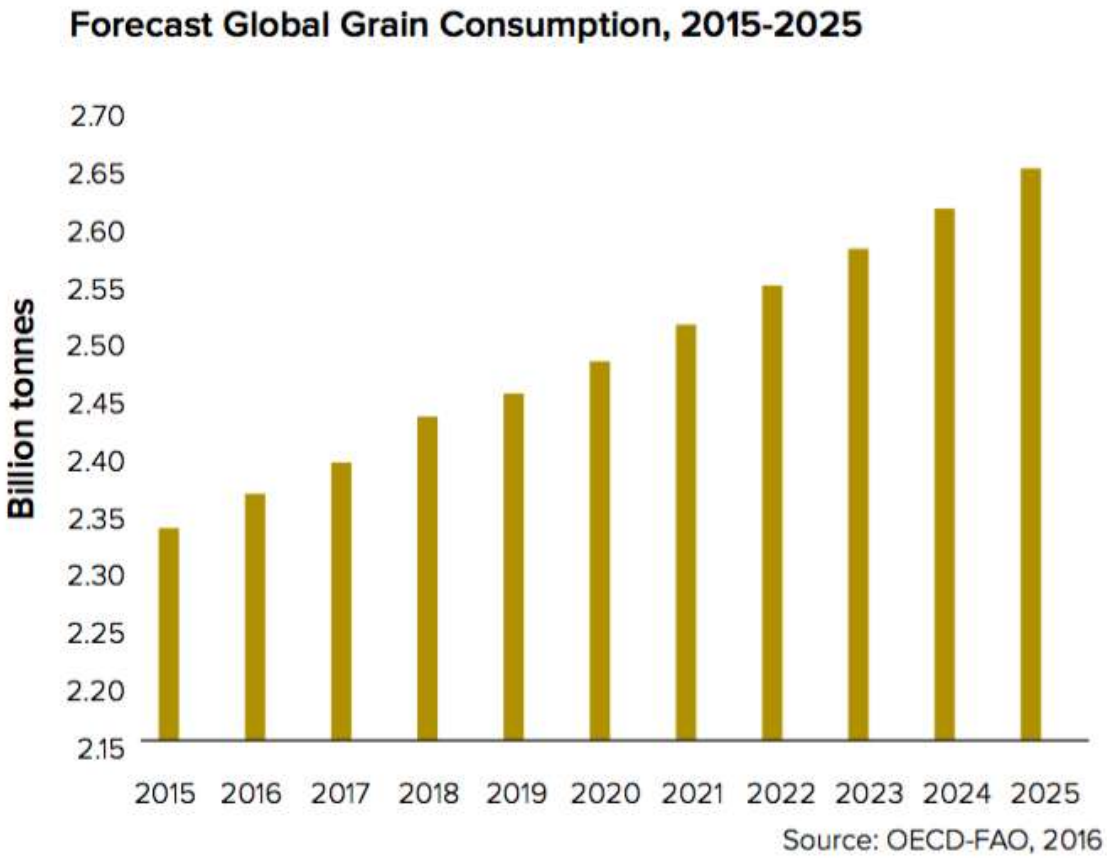
The Trust is expected to provide investors with:

- A combination of capital growth and high distributions driven by stable revenue streams.
- Reduced volatility, through aligning interests of grain growers in the region with equity investment opportunities and incentives for long-term through-put commitments.
- Diversification via the imports of fertiliser and the first right of refusal to acquire and build a second port in Wallaroo.

#### 3.4.1 Forecast Grain Consumption

Australia's liberalised trade policies and island status offer significant potential for continued growth in port activity. In particular, Australia is well positioned to supply grain to the increasing demand from Asia.

Global grain consumption is expected to increase by 13.4%, reaching 2.65 billion tonnes consumed by 2025. It is expected that this growth in demand will continue to be driven by population growth in emerging regions such as Asia.

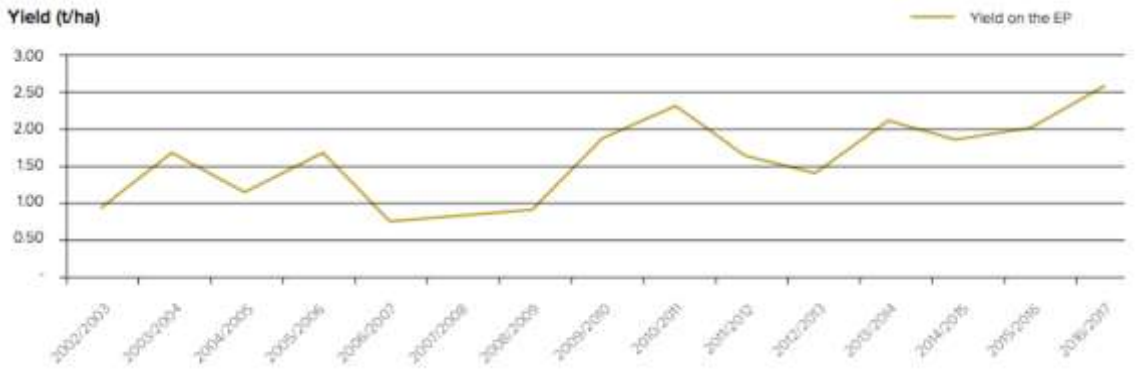



Asian countries constitute 73% of Australia's grain exports, with the majority (30%) being exported to South East Asia. Consumption of wheat in South-East Asia is 26kg per person per year. In comparison, the world average per person wheat consumption is 78kg. Furthermore, consumption in this region has exhibited less price elasticity; wheat consumption continued to grow even as the price of wheat increased. Grain demand, especially within emerging economies such as South-East Asia, is expected to outstrip supply, and will continue to support a strong export market.

South Australian grain production has averaged 7.6 million tonnes per annum over the previous five years (with 11.1 million tonnes produced in 2016/17). Approximately 80% of this is exported. Grain exports in South Australia increased by 47%, from 3.9 million tonnes exported to 5.7 million tonnes between 2005 and 2015.

Within South Australia, the Eyre Peninsula produces approximately 30% of the state's total grain crop. Over the past five years, the Eyre Peninsula has produced 2.0 million tonnes to 2.5 million tonnes of grain annually. During the drought period, wheat production in the Eyre Peninsula was reduced to approximately 650,000 tonnes per annum.

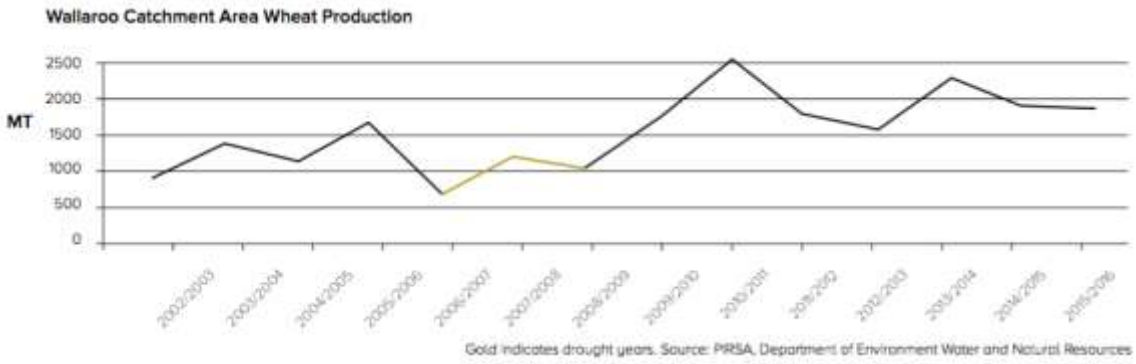
While yields on the Eyre Peninsula vary from year to year, over the past 15 years yields have increased on average 6.6% per year. This has primarily been driven by increased knowledge and technological developments such as seasonal targeted fertiliser use, integrated weed management and soil management.




Since 2006, yields have increased 11.8% p.a. and land under hectares increased 3.4% p.a.

The Yorke Peninsula catchment area for the planned second port at Wallaroo produces approximately 1.1 million tonnes of grain annually. The Yorke Peninsula has historically exhibited a more reliable grain yield than the Eyre Peninsula and would therefore act as a good geographic diversifier to the port in Lucky Bay.

The South Australian bulk grain export industry is currently a monopolistic system; with one operator dominating all the bulk grain ports in the state. Grain growers are concerned that this market structure has been to extract considerable premiums for grain handling.

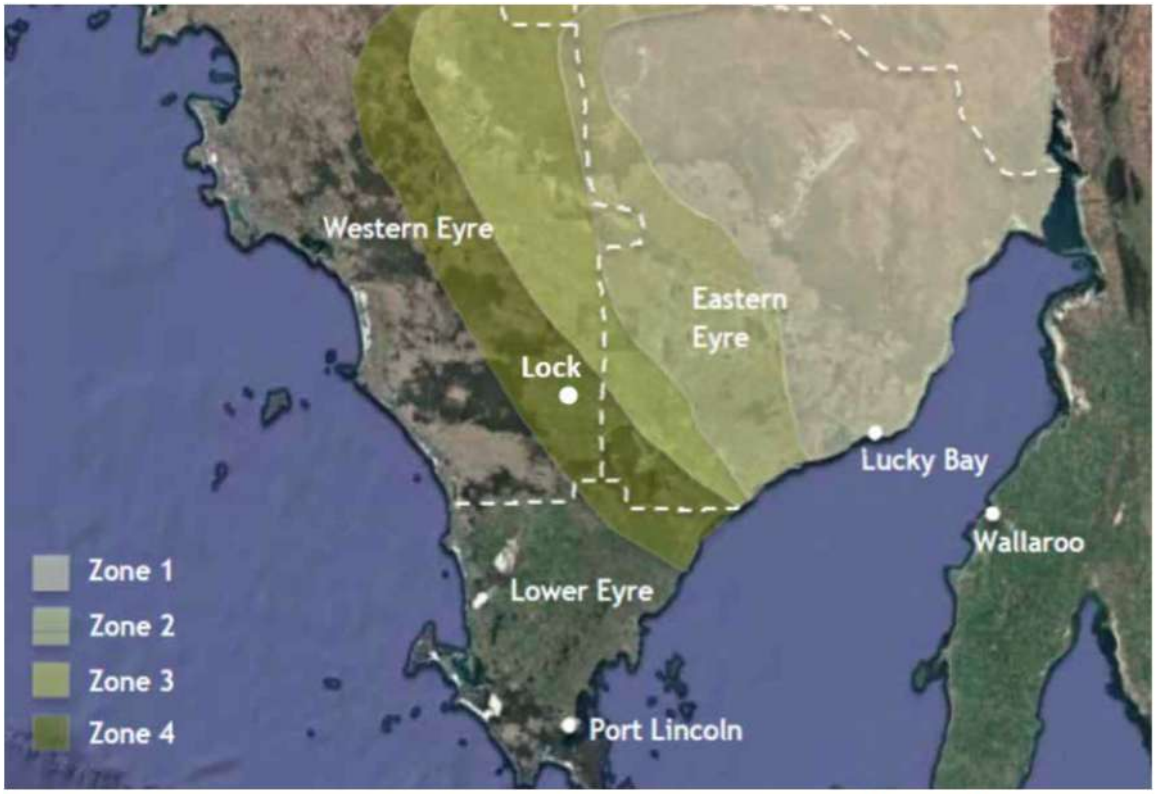



### 3.4. 2 Cost advantage

The development of the port at Lucky Bay is expected to provide an alternative choice within the South Australia grain handling supply chain and provide grain growers in the region with significant cost benefits. In the current market, charges for grain storage and handling range from approximately $40 per tonne for early season delivery (November) to approximately $48 per tonne for late season delivery (March) with the difference largely a result of storage charges. Growers are also charged additional port costs which include a Flinders Ports charge of $3.40 per tonne.

The development of grain exports through the Lucky Bay Port will provide grain growers in the Eyre Peninsula catchment zone near the port with significant cost savings. The Lucky Bay Port has a substantial domestic road freight advantage for a significant portion of the Eyre Peninsula producers and particularly for grain growers on the Eastern Eyre Peninsula. It has been estimated that grain growers in the Eastern Eyre Peninsula catchment zone delivering grain directly to Lucky Bay Port rather than to Port Lincoln will save

between 30% to 50% on current haulage, intake and handling charges. There is also an upcountry storage facility planned in Lock which will further increase the Lucky Bay catchment area into the Western Eyre Peninsula. The Lock Storage Facility will have an initial storage capacity of approximately 150,000 tonnes.




| Eyre Peninsula Zoning | Domestic Haulage Advantage ($/t) | Grain Yield (kt) – Last 4 Crop seasons Min | Max |
|---|---|---|---|
| **Zone 1** | 15 – 25 | 470 | 540 |
| **Zone 2** | 10 – 15 | 300 | 350 |
| **Zone 3** | 5 – 10 | 218 | 245 |
| **Zone 4** | 0 – 5 | 225 | 295 |

### 3.4. 3 Efficiencies to Drive Value

The Lucky Bay Port presents the opportunity to increase supply chain efficiencies which will drive value. Bringing the port closer to the product is expected to cause a structural shift from the current supply chain to a more competitive one. The development of an additional grain supply chain will provide grain growers in the region with export options to sell their produce. This will change the way grain is priced and the fees and charges associated with grain exports.

Furthermore, by innovating upon the traditional deep-water port model with smaller ports near the product, the Lucky Bay Port development will assist in reducing congestion in freight routes. Approximately 85% of all grain on the Eyre Peninsula is transported by truck.

This presents limitations to efficiencies due to fixed tonne capacities (average load per truck is 31 mt) and load restrictions. Furthermore, it has been estimated that each truck used to transport grain produces 153 kg of CO2 emissions. By developing a port closer to the production of grain, there will be less need to

transport grain longer distances, resulting in reduced carbon emissions. Hence the Lucky Bay Port intends to increase the efficiency of South Australian ports and provide environmental benefits by reducing carbon emissions.

The Lucky Bay Port will use a state-of- the-art self-propelled, self-discharging transhipment vessel to transport the grain from the Port to larger deep water Panamax or Supamax shipping vessel.

The transhipment vessel has been designed by Sea Transport who are a world leader in mini port transhipment vessels. This vessel is unique as it only requires four metres of depth in the harbour terminal compared to 13 metres for a deep-sea vessel. This provides significant advantages as it means the bulk grain is able to be loaded through shallow water ports located close to road and rail systems, further reducing supply side costs to growers. Moreover, the use of this shallow draft vessel eliminates the need for major jetty structures which are both financially and environmentally costly.

**3.4.4 Visible Revenue Streams**

Successful infrastructure investments are ones which generate stable, long- term cash flows for investors with low volatility. The Trust seeks to reduce volatility through aligning interests of grain growers in the region with equity investment opportunities and incentives for those who take advantage of long-term through-put arrangements. Certain grain growers who have already expressed an interest to use the Port will receive $3 in Units in exchange for every tonne of grain throughput across a seven year period, which equates to an incentive of up to $7.35 million of equity for grain growers. Whilst these arrangements are expected to reduce revenue volatility, they will also benefit the grain purchasers allowing them to lock in supply chain capacities for the markets they service. Should such equity be issued the percentage of the Trust owned by ACIF Priority Fund will be diluted and reduce.

**3.4.5 Freehold Land**

Port infrastructure in Australia typically operates on land under a long-term lease agreement and port operating license. All ports, with the exception of Whyalla and Lucky Bay, are owned and operated in this manner. The Trust will own the land that the Lucky Bay Port is on and therefore has a unique freehold interest, avoiding any future lease renewal risks. The Trust will have access to the foreshore of the Lucky Bay Port through a long-term underlease of crown land which has a remaining term of 89 years.

# 4. Investment Structure

### 4.1 Investment Structure

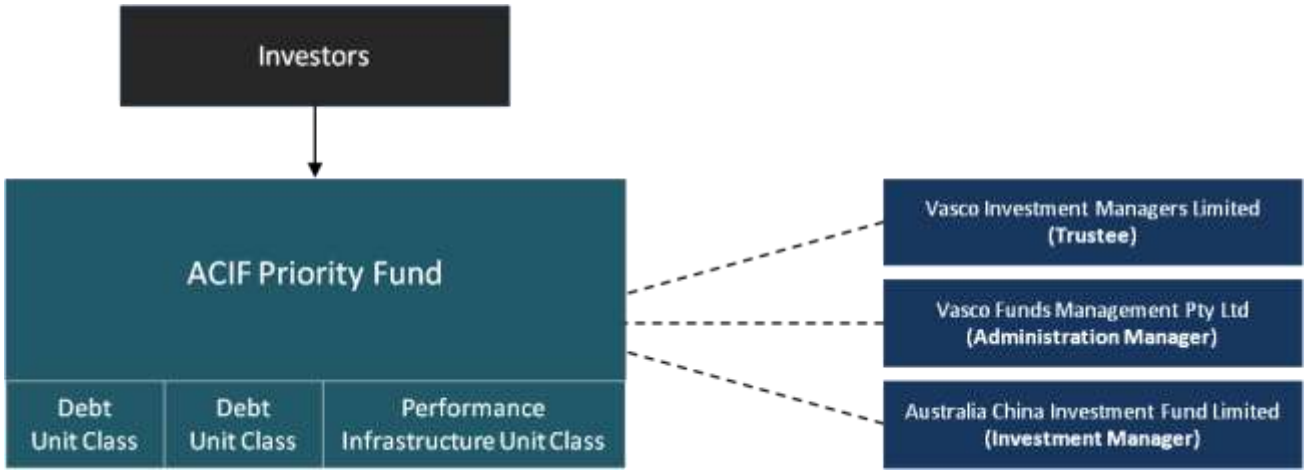
The Fund is an unlisted unregistered managed investment scheme structured as a unit trust. There is no intention to register the Fund with ASIC or to list the Fund on a secondary market such as the ASX.

The Fund has been established to allow Investors the opportunity to participate in an established investment vehicle that will invest in mezzanine finance loans and other real estate related investments as well as infrastructure investments.

Various unit classes will be available for investment from time to time offering investors access to real estate and or infrastructure investments.

Different unit classes may have different rights to income, capital and distributions and may carry different fees.

The following diagram illustrates the parties involved in the management of the Fund:




The Fund was established by a Constitution dated 1 April 2016 which regulates the relationship between the Trustee and Investors.

The main responsibilities of the Trustee are to ensure the Fund is operated in accordance with the Constitution, this IM and to ensure compliance with Australian law. Importantly, the Trustee is required to have regard to the best interests of unitholders in all decisions that it makes with respect to the Fund.

The Trustee of the Fund has appointed the Investment Manager pursuant to the Investment Management Agreement. The Investment Manager is responsible for, among other things, deciding which investments the Fund will make, subject to the investment objectives disclosed in this information memorandum.

The Trustee of the Fund has also appointed the Administration Manager pursuant to an Administration Agreement. The Administration Manager is responsible for, among other things, processing application forms, conducting AML/CTF checks on behalf of the Trustee, managing the Fund's accounts and sending out distribution statements. Section 5 contains a profile of each of the parties involved in the management of the Fund.

# 5. Management of the Fund

### 5.1 The Trustee and Administration Manager

The Trustee and Administration Manager are part of an investment management group (**Vasco**) that provides responsible entity, trustee, and 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 $1 billion Australian Unity Healthcare Property Trust ARSN 092 755 318 and the $1 billion AIMS AMP Capital Industrial REIT listed on the Singapore Securities Exchange.

The directors of Vasco were responsible for establishing the Australian Unity Funds Management Limited and Macarthur Cook 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 China Asset Management (HK), Golden Age Capital, Auspacific Capital Management, Lauders Development Group, Cyan SIV Emerging Companies Fund, Infrastructure Partners Investment Fund, Vital Healthcare Property Fund, Residential Property Fund, EMR Capital Pty Ltd, Phillip Asset Management Limited and Morgan Stanley Real Estate.

### 5.2 The Investment Manager

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

The Investment Manager 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.

### 5.3 Directors of the Investment Manager

5.3.1 John Wang

John is the Managing Director of the Investment Manager 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 was a circa $80 million fund investing in property developments.

5.3.2 James Forbes

James is a Director of the Investment Manager. 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.

5.3.3 Ian Mortley

Ian is a Director of the Investment Manager. 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 the Investment Manager.

# 6. Investment Strategy of the ICAM Trust

**The information in this Section 6 has been extracted from the information memorandum in relation to the ICAM Trust dated 24 July 2017. Any reference to Trustee in this section means the trustee of the ICAM Trust and any reference to trust means the ICAM Trust. Further details in relation to the ICAM Trust are available from that trust's information memorandum or the trustee of the ICAM Trust.**

### 6.1 Lucky Bay

The initial investment strategy will focus on the development of the port at Lucky Bay for the bulk storage, handling and export of Eyre Peninsula grain. Project development is expected to be completed by August 2018, with the Lucky Bay Port commencing grain export operations in the 2018-2019 season.

The Port Operating Company is targeting a minimum 350,000 tonnes per annum of throughput from grain growers in the Eyre Peninsula over the next seven years. The Port Operating Company will continue to develop relationships with grain growers in the Eyre Peninsula over the investment holding period to secure additional regular grain throughput.

#### 6.1.1 Lucky Bay Port Development Strategy

The following staged development is required in order for the Port to adequately store, handle and manage the export of up to 600,000 tonnes of grain per year. The table below outlines the capital expenditure required for the project's development (including working capital and contingencies), current status of development and the expected completion of each stage of the development.

| Lucky Bay | Capex Requirements | Current Status | Expected Completion |
|---|---|---|---|
| Existing Port | $30.0 million | Completed and funded | Completed and funded |
| Transhipment Vessel | $21.0 million | Construction is underway | June 2018 |
| Port Side Development | $45.8 million | Contracts in place. Development to commence August 2017 | August 2018 |
| Engineering, Procurement, Construction Management & Contingencies | $4.8 million | | August 2018 |
| Working capital, capitalised interest and closing costs | $4.9 million | | Ongoing |
| Fertiliser Import Development | $9.0 million | | August 2018 |
| **TOTAL ENTERPRISE** | **$115.5 million** | | |

The Trustee and The Port Operating Company intend to implement the above development plans. However, there is no certainty that any development opportunities may eventuate as any development will be subject to various factors, including any required consent or approval by the parties involved, available funding (which may require additional equity raising or debt funding), available resources, regulatory and planning approvals, and general economic conditions. The current base case financial modelling, forecast distributions and target returns are based on a scenario of Stage One only.

### 6.2 Expansion Plans

There are opportunities to expand operations including an immediate opportunity with fertiliser imports. These expansion plans have the potential to offer a compelling investment case on a returns basis and also help to mitigate risks through both cash flow and geographic diversification.

### 6.2.1 Fertiliser Imports

The import of fertiliser into South Australia has averaged approximately 560,000 tonnes per year over the past five years. Approximately 280,000 tonnes is used each year on the Eyre Peninsula, with circa 125,000 tonnes imported through Port Lincoln and 150,000 tonnes imported through Port Adelaide. Fertiliser imports through the Lucky Bay Port have been forecast at 150,000 tonnes per year.

The Lucky Bay Port is anticipated to have a significant price advantage over the existing fertiliser import supply chains. Currently, fertiliser imports into South Australia are either trucked directly from Adelaide to farms east of the Spencer Gulf and north of the Eyre Peninsula, or imported through Port Lincoln. The vessels importing the fertiliser tend to be 30,000 tonne to 35,000 tonne vessels that can only be discharged in deep water ports. These vessels discharge their load at both Port Adelaide and Port Lincoln on a two-port discharge. Once discharged, the fertiliser is then moved from the ports by truck to nearby storage facilities as there are no portside storage and distribution facilities available. Whilst Port Lincoln is geographically nearer to the catchment areas than Adelaide, the lack of port storage for fertiliser and the cost of double handling encourages distribution directly from Adelaide.

On a domestic haulage basis, the Lucky Bay Port presents a competitive service to South Australian fertiliser imports. With the ferry operation from Lucky Bay to Wallaroo, trucks loaded in Lucky Bay can distribute fertiliser into the Yorke Peninsula, Mid North and Upper North markets competitively thus increasing the scope of the catchment area and throughput of fertiliser in Lucky Bay. Fertiliser imports through the Lucky Bay Port are expected to generate average freight savings of $25/t - $35/t. A major grain house has expressed an interest in exclusive imports of fertiliser through the Lucky Bay Port.

### 6.2.2 Upcountry Storage Site

The Trustee intends to expand upon the Lucky Bay Port operations with an upcountry storage facility at Lock which will increase our grain catchment zone. Lock is strategically positioned in the central region of the Eyre Peninsula. The location of the Lock storage facility is expected to increase Lucky Bay Port's grain catchment zone by capturing grain further to the west and north which would ordinarily flow south to Port Lincoln. Initial storage capacity at this site is planned to be approximately 150,000 tonnes. It is estimated that an additional 200,000 - 250,000 tonnes of grain could be sourced through this upcountry site. The estimated time of commencement and completion of this site is expected to be the same as the Lucky Bay Port development.

### 6.2.3 Second Port at Wallaroo

There is currently a grain port at Wallaroo which is operated by Flinders Ports and exports approximately 650,000 tonnes of grain per annum. The ICAM Duxton Port Infrastructure Trust has a first right of refusal from Sea Transport to purchase and develop a second port in Wallaroo. Subject to the outcomes of appropriate due diligence and financing, the Trustee intends to build a separate new mini port at Wallaroo after the Lucky Bay Port is developed and operational. The Wallaroo grain catchment area has historically exhibited more reliable yields than the Lucky Bay catchment area with a larger catchment to utilise the port and thus will provide good drought and geographic diversification.

The existing Flinders Ports operated Wallaroo port is currently limited to an 8.4 metres draft and, as such, can only load a limited type of vessel size, requiring high tide to complete loading and sail. In order to complete the export of grain from Wallaroo, the larger vessels that are used to load the grain have to be moved to a second port. It is estimated that this process adds approximately $2 per tonne to port costs in South Australia.

By utilising the same shallow draft transhipment vessel as the Lucky Bay Port to export grain, the Trust would aim to significantly reduce transport costs for grain growers in the Yorke Peninsula region and provide cost efficiencies across both projects.

**6.2.4 Wallaroo Port Development**

The Wallaroo Port development plan is subject to the following conditions precedent:

1. The Lucky Bay Port has operated successfully for one season of grain intake (October - March 2018/19), meaning the Trust expects:

- To produce a full year net profit; and
- To have a positive net cash position after all debt covenants have been met;

2. The ICAM Trustee has completed due diligence on the financial viability and feasibility of the Wallaroo Port;

3. All required permits and licencing have been received for the Wallaroo Port;

4. Successful negotiation of an extended debt facility (if required); and

5. All requirements for exclusivity on the site have been obtained.

If the ICAM Trustee proceeds with the Wallaroo port, the following staged development is required in order for the port to adequately store, handle and manage the export of up to 300,000 tonnes of grain per year. The table below outlines the indicative capital expenditure required for the project's development (including Working Capital and contingencies) and the indicative completion of each stage of the development. These details are indicative only and are subject to further detailed due diligence on the project.

| **Wallaroo** | **Capex Requirements** | **Indicative Completion** |
|---|---|---|
| Bunkers | $7.1 million | June 2019 |
| Port Development | $7.7 million | June 2019 |
| Port and Silo Storage Bunkers | $19.3 million | August 2019 |
| Contingencies/WC/ Transaction Costs | $4.5 million | Ongoing |
| **TOTAL** | **$38.6 million** | |

### 6.3 Exit strategy

The ICAM Trustee's current intention is to realise value for the ICAM Trust's assets within seven to nine years after the Offer Close Date. Accordingly, prior to nine years after the Offer close, the ICAM Trustee and the ICAM Manager will consider options to realise value for investors through an exit event.

An exit may involve an initial public offer and listing, a potential sale to an institutional infrastructure fund, superannuation fund or similar entity or a refinancing of equity through a capital raising and redemption offer.

The timing and form of an exit will depend on a number of factors outside the ICAM Trustee's control, including market specific and general economic conditions. Investors should consider an investment in the ICAM Trust as illiquid.

The ICAM Trustee will continue to evaluate exit opportunities (subject to market conditions) in the best interests of investors.

# 7. Fees and Costs

### 7.1 Trustee fees

The Trustee is entitled to a once off establishment fee of $6,500 payable on establishment of the Infrastructure Performance Unit Class. The Trustee is also entitled to an annual fee for acting as trustee of the Fund. This annual fee will be equal to the greater of:

(a) $22,500 ; or

(b) 0.10% per annum of the gross asset value of the Fund.

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% per annum, subject to a minimum annual fee. The trustee fee will be apportioned pro-rata across all unit classes.

The Trustee is also entitled to a document review and execution fee of $500 for the review and execution of documents associated with each particular investment that the Fund makes. If there are multiple documents for an acquisition (acquisition agreement, borrowing agreement etc.) only one fee is paid.

***The Trustee fees 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***.

### 7.2 Administration fee

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, including processing of applications, fund registry, fund accounting and attending to the lodgement of regulatory returns. An additional fee is subject to an annual increase of 3% per annum. An additional $5000 per annual fee applies for each additional unit class over and above the first.

The administration fee will be apportioned pro-rata across all unit classes.

***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.***

### 7.3 Investment Manager fees

The Investment Manager will charge Investors management fees as set out below in respect of the Performance Infrastructure Unit Class:

- An application fee of 2% of the sum invested;
- An initial management fee of 2% of the sum invested in year 1, paid within 60 days of the acceptance of an application by the Trustee;
- for the balance of the term of the investment
  - in any given year where the return does not exceed 10% of the amount invested the Investment Manager will charge a fee of 2% of the amount invested
  - in any given year where the return of and income and or capital does exceed 10% of the amount invested the Investment Manager will charge a fee equal to 20% of the return.

**The Investment Manager is responsible for the payment of fees due to the Trustee and Administration**

**Manager and any referral fees from the fee it earns.**

### 7.4 Expenses

The Trustee is entitled to be paid or reimbursed for expenses associated with establishing and the operation of the Fund, such as the costs associated with the administration or distribution of income and other expenses properly incurred in connection with performing its duties and obligations in the day to day operation of the Fund.

The Investment Manager is also entitled to be paid or reimbursed for expenses associated with and properly incurred in connection with performing its investment management duties. These Investment Manager related expenses are expected to be up to 0.25% per annum of the gross asset value of the Fund.

### 7.5 Goods and services tax

Unless otherwise stated, all fees quoted in the IM are quoted exclusive of GST.

### 7.6 Waiver

The Trustee may, in its absolute discretion, accept lower fees and expenses than it is entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid. In addition, the Investment Manager or Trustee may waive, negotiate or rebate their fees, for example, in the case of a large investment amount.

# 8 Risks

Like any investment, there are risks associated with investing in the Fund. There are a number of risk factors that could affect the performance of the Fund and the repayment of Investors' capital. Many risk factors fall outside of the Trustee and the Investment Manager's control and cannot be completely mitigated.

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.

The following is a non-exhaustive list of the main risks associated with investment in the Fund. Investors should consider and weigh them up carefully and make their own assessment as to whether they are comfortable with them.

Some of the key risks identified by the Trustee are as follows:

**8.1 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 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.

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 do not continue in their respective roles, the Fund may not be able to achieve its objectives.

**8.2 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.

**8.3 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.

**8.4 Diversification Risk**

The application money raised under this Offer will be invested exclusively in a single investment. As such, your investment in the Fund will not be diversified by sector or number of investments (unless you hold another class of unit in the Fund).

**8.5 Indirect investment risk**

The offer under this IM is to subscribe for Infrastructure Performance Units in the Fund. In turn, the Fund will utilise the capital raised from Investors subscribing under this IM to acquire units in the ICAM Trust. Investors' return is therefore wholly dependent on the performance of the ICAM Trust and its investment in the Assets. The investment returns to investors holding Infrastructure Performance Units can be directly affected by the operations and decisions of the management of the ICAM Trust, external to the Trustee's and Investment Manager's control. Investors do not have any power or control over the management of the investment of the Assets by the ICAM Trust.

**8.6 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 and it is unlikely that any active secondary market will develop. There are substantial restrictions upon the transferability of Units under the Constitution 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 Investment Term (noting that the Investment Term could be extended by the Trustee).

**8.7 Tax Risk**

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

**8.8 General Investment Risks**

The returns from investments in infrastructure 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.

**8.9 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.

**8.10 Operating History**

The Fund has a short 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. There can be no assurance that the Fund's investments will achieve the targeted IRR.

**8.11 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 Fund Term.

**8.12 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 Investment 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.

**8.13 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.

**8.14 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.

**8.15 Other Risks**

It is important to note that not all risks can be foreseen. It is therefore not possible for the Trustee or 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.

**8.16 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.

**8.17 Port Enterprise Investment Risk**

8.17.1 *Design and Construction Risk*
Significant elements of the infrastructure are not yet complete (including the transhipment vessel, portside and storage facilities). There are inherent risks in any development project. Performance of an investment in the Trust is dependent on completion of the development of the Assets in line with the projected timetables and on budgets. Increased costs or time delays can impact on return on investment including through a delay in commencement of operations, higher capital costs or debt funding or reduced revenue.

8.17.2 *Port operator risk*
The Lucky Bay Port Facility will be operated by The Port Operating Company, a company wholly owned by the Trust. The operator's performance will in part be dependent on the recruitment, establishment and ongoing performance of an effective port operating team. If the port operator is ineffective then there will be impacts on revenue and return on investment.

While port operations could be outsourced to established grain port operators as an alternative, this is likely to increase the cost base of the operations beyond the gures modelled, and may also have other impacts on grain seller and purchaser dynamics, which again could negatively impact the returns.

8.17.3 *Port operations risks*
There are a range of potential risks that can impact any port operation, including: loss or damage to assets, including handling equipment or property; loss or damage to vessels or cargo; wreck removal costs; pollution risks; non- damage events such as strikes, denial of access or transportation incidents; damage that incapacitates critical cargo handling equipment; damage to sea walls, piers and wharves from natural hazards or vessel impact; terrorism and natural catastrophes.

8.17.4 *Competition risk*
Existing ports supplying services to growers may respond to the emergence of this new port operation by reducing their fees, which may impact on the amount of grain throughput and hence negatively impact returns by reducing revenue. The impact of this risk will depend on the degree of fee discounting that occurs.

8.17.5 *Patronage risk*
Patronage risk is the risk that usage of the Assets will not be at the levels anticipated. The port and supply chain throughput is dependent on the amount of grain produced in the regions and on the extent of engagement with the growers. If the grain throughput forecast is not reached (for instance, due to weather events reducing the yield produced by the grain growers), revenue of the ICAM Trust may be lower than expected and hence impact the return on investment to the ICAM Trust and in turn to holders of Infrastructure Performance Units.

8.17.6 *Weather, climate and agricultural risk*
The grain produced in the Eyre Peninsula is in turn dependent on weather and other agricultural risks. Production levels can vary significantly from year to year in dry land cropping regions such as the Eyre Peninsula, especially in drought years. Modelling has included consideration of average yields but if there are significant adverse weather or agronomic events (disease, pest, loss of crops) then this will negatively impact revenue and returns. Climate change may increase the level of extreme weather events and increase the costs of port maintenance, all of which may negatively impact revenue and returns.

In addition adverse weather conditions can negatively impact on the operational availability of the port and the transhipment vessel. While the transhipment vessel is designed to operate in conditions beyond the capacity of a normal shallow draft transhipper there are sea state conditions in which it cannot operate.

*8.17.7 ICAM Trust Counterparty Risk*
The ICAM Trust's operations and profitability are dependent on a number of parties. If one of the ICAM Trust's counterparties defaults or cannot meet their obligations under their specific arrangements with the ICAM Trust, the Lucky Bay Port's revenue and hence profitability may be impacted. For example, this includes the risk of non-performance by construction companies, grain growers, fertiliser suppliers and purchasers, ship operators, the port operator, suppliers, equipment providers and other service providers in addition to the ICAM Trustee. All or any such events could in turn adversely affect the investment of holders of Infrastructure Performance Units.

8.17.8 *Technology risk*
The Trust will include a transhipment vessel which will load the grain from the Port and deliver it to large deep water shipping vessels. Whilst this technology has been used for the loading and discharging of other export materials, it has not been used for grain before. This grain loading/discharging technology is integral to the operations of the port. If the technology does not operate as expected, the port's future use may be impacted.

8.17.9 *Regulatory risk*
Under the Competition and Consumer Industry Code Port Terminal Access (Bulk Wheat) Regulation 2014, port terminal operators are required, among others, to:
- Negotiate in good faith with wheat exporters for access to port terminal services;
- Not discriminate or hinder access in the provision of port terminal services;

- Offer the ability for wheat exporters to seek mediation or binding arbitration on terms of access in the event of a dispute; and
- Publish approval for port loading protocols for managing demand for port terminal services.

In summary, the Code regulates bulk wheat port terminal operators to ensure that exporters have fair and transparent access to terminal facilities. As such, any changes to this regulation may impact the profitability of the ICAM Trust. There are also compliance costs associated with satisfying these regulatory requirements. Further, the Maritime Services (Access) Act 2000 (SA) permits the State Government to impose additional economic regulation and other controls on proclaimed ports. If this port becomes subject to that regime then there may be higher compliance costs or other impacts on revenues.

The port also needs to maintain other relevant regulatory approvals in order to conduct its operations, including under the Harbors and Navigation Act 1993 (SA) requirements for port operating agreements.

In addition there are many other standard regulatory regimes that will impact on the development of the port infrastructure and its operations. These include the Development Act 1993 (SA), planning approval requirements as well as obligations associated with Environment Protection Authority requirements, Landscaping and Vegetation Management Plans, and Traffic Management Plans, chemical handling and storage for grain fumigation, controls on chemical use on grains (including Food Standards Australia and New Zealand and the Agricultural Pesticides and Veterinary Medicines Authority), security controls under the Customs Act 1901 (Cth), export controls and other matters.

Failure to obtain relevant approvals or comply with conditions of approval of operations, whether at a Commonwealth, State or Local Government level could negatively impact on costs, revenues and returns.

8.17.10 *Native Title Risk*

The Assets are within the boundaries of the Barngarla Native Title Claim SAD60011/98 under the Native Title Act 1993. Parts of this claim were determined by the Federal Court in cases in 2015[1] and 2016[2] with recognition of native title entailing non-exclusive rights across wide areas of the Eyre Peninsula including Lucky Bay. The determination will take effect upon the Barngarla Settlement ILUA being registered on the Register of Indigenous Land Use Agreements. Further to this finding a Lucky Bay Indigenous Land Use Agreement was developed and executed in 2017 between Sea Transport Development SA Pty Ltd and representatives of the Barngarla people in order to facilitate the port development while respecting native title, heritage and rights. This agreement awaits execution by the State Government and then registration in accordance with the system developed under the Native Title Act. (The site includes one Aboriginal burial site protected under the Aboriginal Heritage Act 1988, which the development must not disturb). This agreement will be assigned to the Trust.

If there was non-compliance with relevant agreements or obligations, then this would negatively impact on the development, developer reputation and returns.

8.17.11 *Revaluation risk*

The future value of the Assets is subject to a range of risks. There is no guarantee that the Assets will increase in value as projected and achieve a capital gain upon sale.

[1] Croft on behalf of the Barngarla Native Title Claim Group v State of South Australia [2015] FCA 9 (22 January 2015)

[2] Croft on behalf of the Barngarla Native Title Claim Group v State of South Australia (No 2) [2016] FCA 724 (23 June 2016)

**8.18 Trust Risk**

These risks relate to an investment in the Fund

*Liquidity risk*
An investment in the Fund is illiquid. It should be viewed as a long term investment. An investor may only transfer their Units to another person with the Trustee's consent. However, there is no secondary market for Units in the Fund and no market is expected to develop in the future. There will be no withdrawal rights from the Fund.

As noted, the ICAMTrustee intends to seek an exit event for investors in the ICAM Trust within seven to nine years. However, it is possible that Investors pass a Special Resolution to defer the date on which the ICAM Trustee commences a sale process in relation to the Assets. Any such resolution passed by the requisite majority of Investors will be binding on all Investors regardless of how they voted. Depending on the level of investment the Fund ultimately has in the ICAM Trust, the Fund's voting power may be limited.

Direct infrastructure investments are by their nature illiquid investments. It may be difficult for the Trustee to dispose of the Assets in a timely manner and at an optimal sale price.

The ACIF Priority Fund may be a minority investor in the ICAM Trust and hence is not in a position to influence the management of the ICAM Trust.

*Concentration risk*

Investors have the flexibility to design their portfolio of investments as they see fit. However, Investors should be aware of the risk of concentrating on similar or correlated assets. Concentration risk means that, should a particular asset class be adversely impacted, other highly correlated asset classes run a greater risk that they will also be affected.

In addition, the ICAM Trust's investments will initially be focused on one key asset being the Lucky Bay Port Facility and associated grain export operations. Subject to due diligence, financial modelling and funding, theICAM Trustee will seek to mitigate that concentration risk through diversification via fertiliser import facilities and the potential for a secondary port development at Wallaroo. However, there is no guarantee that either of these initiatives will be implemented.

**8.19 General Risks**

*General investment risk*
An investment in the Fund is subject to general investment risk which can negatively impact the return to Investors and the value of capital invested. The Trustee does not guarantee the performance of the Fund or the return of capital.

The performance of any individual investments in general may be affected by many factors, including:
- Consumer and business confidence;
- Inflation;
- Interest rates;
- Taxation;
- Changes in law;

- Government policy.

The demand for port infrastructure by supply chain stakeholders and any purchaser may be affected by general economic conditions.

*Borrowing and interest Rate Risk for the ICAM Trust*
Although the Fund will not borrow to fund its investment in the ICAM Trust, the ICAM Trust will be geared and this will indirectly magnify the effect of both upward and downward movements in the return to Investors from changes in the value of the Assets.

The ICAM Trust is expected to continue for longer than the loan period of three to five years. There is refinancing risk upon the expiry of the initial loan period.

Furthermore, if the loan is refinanced, the interest rate may be higher. This may result in higher expenses and lower distributions.

If the income of the ICAM Trust is insufficient to meet the initial loan repayments (for example, if the grain throughput is less than forecast, for instance following a drought period with lower grain yields, or expenses are higher than anticipated), the financier may be entitled to enforce its security over the Assets.

If the market value of the Assets decreases, the ICAM Trust may be in default of its loan to value ratio covenant (which is a maximum of 60%). This may result in a need to refinance the loan (which may be at a higher interest rate), the raising of further capital in the ICAM Trust, or a default of the loan that may entitle the financier to enforce its security over the Assets.

*Financial Forecasts risk*
This IM contains some forward looking statements and prospective financial forecasts. These are estimates and are based on a number of assumptions. While such forward looking information is based on the best estimates and reasonable assumptions of the Trustee, the Trustee makes no guarantee that such events will occur and potential Investors should understand that the actual financial performance of the Fund may be different from that forecast to occur in this IM.

*Insurance Risk*
The ICAM Trustee has disclosed it remains confident of arranging proper insurance cover for the risks associated with ownership of the Assets. However, there is no certainty that such insurance will cover, or will be adequate to cover, the consequences of adverse events.

*Legal and Regulatory Risk*
Changes in law (including tax and stamp duty law) or changes in the interpretation of existing laws, regulations or government policy could have an impact on the Fund's performance.

**We strongly recommend that Investors obtain independent financial advice before investing in the Fund.**

# 9 Taxation Information

Investors should seek their own taxation advice in relation to the taxation of income and capital returns from the Fund.

### 9.1 Tax File Number and Australian Business Number (Australian Investors Only)

It is not compulsory for an Investor to quote a Tax File Number (TFN), claim a valid exemption for providing a TFN, or (in certain circumstances) provide an Australian Business Number (ABN). However, if an Investor does not provide a TFN, exemption or ABN, tax will be required to be deducted from the Investor's distributions at the highest marginal tax rate plus Medicare levy and any other applicable Government charges (currently 49%).

### 9.2 Australian GST

GST should not be payable on the issue or redemption of units nor on any of the distributions to Unitholders. GST may apply to the fees charged to the Fund by the Investment Manager and in relation to other expenses of the Fund. The Fund may be entitled to claim input tax credits and / or reduced input tax credits for any GST paid

### 9.3 Foreign Account Tax Compliance Act

In compliance with the United States (US) income tax laws commonly referred to as the Foreign Account Tax Compliance Act ('FATCA') and the Intergovernmental Agreement signed between the US and Australian Governments in April 2014 in relation to FATCA, the Fund will be required to provide information to the ATO in relation to Investors that are: (a) US citizens or residents; (b) entities controlled by US persons; and (c) financial institutions that do not comply with FATCA.

Where Investors do not provide appropriate information to the Fund, the Fund will also be required to report those accounts to the ATO.

### 9.4 Common Reporting Standards (CRS)

CRS is the standard set by the Organisation for Economic Co-operation and Development (OECD) for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts. The Trustee may be required to comply with its CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain investors to the ATO or other foreign tax authorities as required. To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable).

### 9.5 Withholding Tax

Investors under this IM who are non-residents will be subject to withholding tax on the income distributions payable to them from the Fund.

This withholding tax is paid by the Fund on behalf of members of the Fund and is deducted prior to distributions being paid. The amount of withholding tax payable will be determined by the composition of income distributions received from by the Fund from its investments.

Investors in existing classes of units in the Fund who are non-residents currently pay withholding tax at the rate applicable to interest income.

Depending upon the composition of the income received from the ICAM Trust, the Fund may be required to pay a higher rate of withholding tax than at present. Where withholding tax applies, the maximum rate of withholding on payments from the Fund could be up to 30%. Should this occur, the Trustee will have discretion under the terms of issue for the Infrastructure Performance Units to adjust the income returns of Investors in order to ensure that existing members of the Fund are not disadvantaged.

# 10. Additional Information

### 10.1 Summary of material documents

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

- Constitution and terms of issue of Infrastructure Performance Units
- Investment Management Agreement
- Administration Agreement
- Information memorandum and trust deed of the ICAM Trust

You should consider whether it is necessary to obtain independent advice on any of the documents.

**Constitution and terms of Infrastructure Performance Units**

The Constitution 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 gives you an equal and undivided interest in the assets referrable to the Unit Class in which those Units are issued.

Subject to the Constitution and the terms of issue of the Infrastructure Performance Units, 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.
- The right to participate in the proceeds of winding up of the Fund.
- The Constitution contains provisions about convening and conducting meetings of Investors.

The Trustee can amend the Constitution without Investors' approval provided it reasonably considers the change will not materially affect Investors' rights.

The Constitution can also be amended by a special resolution passed by Investors.

A copy of the Constitution is available free of charge by contacting the Trustee on: +61 3 8352 7120.

The terms of issue of the Infrastructure Performance Units set out additional rights for Investors.

Every Infrastructure Performance Unit confers an equal and undivided interest in the units in the ICAM Trust held by the Trustee as a whole. They do not confer an interest in other assets of the Fund.

All expenses attributable to the Infrastructure Performance Units will be paid out of the distributions from the units in the ICAM Trust. Likewise, for the purpose of the Constitution, distributable income for Infrastructure Performance Units will be paid out of distributions from the units in the ICAM Trust.

**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 arrangements in relation to the Fees and Costs that are summarised in Section 7.

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 to terminate if, for example, the Investment Manager becomes insolvent.

The Investment Manager is permitted to terminate the agreement in certain circumstances, such as if the Trustee ceases to be the trustee for the Fund.

**Administration Agreement**

The Administration Agreement is between the Administration Manager and the Trustee under which the Administration Manager provides fund administration and accounting services to the Fund.

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

**Information Memorandum and trust deed of the ICAM Trust**

The ICAM Trust constitution is the primary document that governs the way the ICAM Trust operates and sets out many of the rights, liabilities and responsibilities of both the trustee of the ICAM Trust and the Trustee as investor in the ICAM Trust.

### 10.2 Related party transactions

The Investment Manager is not a related party of the Trustee. The contractual arrangements between the Trustee and the Investment Manager are negotiated at arm's length between the parties. The Trustee may from time-to-time enter into transactions with related entities. For example, the Administration Manager is a related party of the Trustee.

It is not the responsibility of the Trustee to assess the merits of each investment recommended by the Investment Manager, but rather to review that each investment is contemplated by this IM and the Constitution. Accordingly the trustee does not guarantee that such transactions will be entered into on arm's length terms.

### 10.3 Privacy

In applying to invest, you are providing the Trustee and the Investment Manager with certain personal details (your name, address etc.). The Trustee uses this information to establish and manage that investment for you.

Under the Privacy Act 1988 (Cth), you can access personal information about you held by the Trustee, except in limited circumstances. Please let the Trustee know if you think the information is inaccurate, incomplete or out of date. You can also tell the Trustee at any time not to pass on your personal information by advising it in writing.

If you do not provide the Trustee with your contact details and other information, then it may not be able to process your application to invest.

Under various laws and regulatory requirements, the Trustee may have to pass-on certain information to other organisations, such as the Australian Tax Office or the Australian Transaction Reports and Analysis Centre (AUSTRAC).

By applying to invest, you give the Trustee permission to pass information it holds about you to other companies which are involved in helping it administer the Fund, or where they require it for the purposes of compliance with the Anti-Money Laundering and Counter Terrorism Financing Act 2006 ("AML/CTF Law") or in connection with the holding of application money. The Trustee may also use your information to provide you with details of future investment offers made by it or the Investment Manager

### 10.4 Anti-money laundering law

The Trustee is required to comply with the 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. 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.

### 10.5 Foreign Account Tax Compliance Act (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in assets through non-US entities. If you are a US resident for tax purposes, you should note that the Fund is or is expected to be a 'Foreign Financial Institution' under FATCA and it intends to comply with its FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund will have to obtain and disclose information about certain Investors to the Australian Taxation Office (ATO). In order for the Fund to comply with its obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (TIN). We will only use such information for this purpose from the date the Fund is required to do so.

**10.6 Consents**

Written consents to be named in the IM in the form and context in which they are named have been provided by the following parties who have not withdrawn their consent prior to the date of this IM:

- Australia China Investment Fund Ltd
- Vasco Funds Management Pty Ltd
- ICAM Duxton No 1 Pty Ltd

# 11 Glossary

Terms used throughout this Information Memorandum are defined in this Section.

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|---|---|
| **AFSL** | Australian financial services licence. |
| **AML/CTF** | Anti-money laundering and counter-terrorism financing. |
| **Applicant** | A person or entity who submits an Application Form |
| **Application** | An application by a prospective Investor to subscribe for Units under this Information Memorandum |
| **Application Form** | An application form that is attached to this Information Memorandum |
| **ASIC** | Australian Securities and Investments Commission |
| **Asset** | The assets of the Trust. |
| **ASX** | Australian Securities Exchange. |
| **Constitution** | The constitution establishing the Fund, dated 1 April 2016. |
| **Corporations Act** | The Corporations Act 2001 (Cth) |
| **Fund** | ACIF Priority Fund |
| **GST** | Goods and Services Tax |
| **ICAM Trust** | The ICAM Duxton Port Infrastructure Trust |
| **ICAM Trustee** | ICAM Duxton No 1 Pty Ltd |
| **Information Memorandum or IM** | This information memorandum |
| **Infrastructure Performance Unit Class** | The unit class known as Infrastructure Performance Units, the terms of which are set out in the terms of issue created by the Trustee on 10 August 2017. |
| **Investment Manager** | Australia China Investment Fund Limited (ACN 607 032 655) |
| **Investment Management Agreement** | The agreement between the Trustee and Investment Manager that governs the rights and obligations of the Investment Manager. |

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|---|---|
| **Investment Term** | The expected duration of ICAM Trust's investment in the Assets. |
| **Investor** | A holder of a unit in the Infrastructure Performance Unit Class of the Fund |
| **IRR** | Internal rate of return |
| **Offer** | The offer of investment in the Trust under this Information Memorandum |
| **Port Operating Company** | ICAM Duxton STC Ports Pty Ltd |
| **Sea Transport Group** | The Sea Transport Corporation |
| **Sophisticated investor** | A 'sophisticated investor' as defined in section 761GA of the Corporations Act |
| **Trust** | The ICAM Duxton Port Infrastructure Trust |
| **Trustee** | Vasco Investment Managers Limited (ACN 138 715 009) |
| **Unit** | A unit in the Trust |
| **Unitholder** | A holder of Units. |
| **Vasco** | The Vasco investment management group of companies, of which the Trustee and Administration Manager are a part of. |
| **Wholesale investor** | A 'wholesale client' as defined in section 761G of the Corporations Act |

# 12 Application for Units

An application for Units can only be made by completing and lodging the "Application Form" form that is attached to this IM ("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 should be returned to the Administration Manager at the address shown on the Application. 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 for less than 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 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 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.

# 13 Application Form

*The Application Form attached to this original Information Memorandum is no longer applicable.*

*Please complete the Application Form attached to the Supplementary Information Memorandum date 27 April 2018*

# Schedule- Offering Legends

It is the responsibility of any persons wishing to subscribe for Units 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 IM 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 Units 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 or to sophisticated investors as defined in section 761GA 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 IM is not a prospectus or product disclosure statement under the Corporations Act and is not required to be, and has not been, lodged with ASIC. To the extent that information in this IM constitutes financial product advice, it is general financial product advice only, is provided by the Investment Manager and does not consider the specific objectives, financial intentions or needs of any particular person. Each person considering subscribing for Units should read this IM in full before making a decision to acquire any Units. There is no cooling-off regime in Australia that applies in respect of the issue of the Units.

**SINGAPORE**

The Fund is a restricted scheme as referred to in s305 of the SFA and an application for registration will be submitted to the Monetary Authority of Singapore prior to any offer made to Investors in Singapore. This IM has been prepared on the basis that prospective Investors from Singapore are accredited Investors or certain other persons prescribed under s305 of the SFA. Accordingly, this scheme is not authorised or recognised by the Monetary Authority of Singapore and Units in this scheme are not allowed to be offered to the retail public. Further, this IM is not a prospectus as defined in the SFA and, accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and the offeree should consider carefully whether the investment is suitable for them. The Trustee and the Investment Manager are all regulated by ASIC under the Corporations Act. ASIC is located at 120 Collins Street, Melbourne VIC 3000, Australia and can be contacted on 1300 300 630.

**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 IM 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 IM 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.

# Corporate Directory

**INVESTMENT MANAGER**

**Australia China Investment Fund Ltd**
Level 13 Freshwater Place
2 Southbank Boulevard
Southbank Melbourne Victoria 3000
Australia

Level 32
101 Miller Street
North Sydney NSW 2060
Australia
**Telephone**: 1300 008 882

**TRUSTEE**

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**Telephone**: +613 8352 7120
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**ADMINISTRATION MANAGER**

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