

DOVETAIL DEVELOPMENTS 111 LEGACY FUND

# INFORMATION MEMORANDUM



**TRUSTEE:** Vasco Investment Managers Limited ACN 138 715 009  
**INVESTMENT MANAGER:** Dovetail Capital Pty Ltd ACN 622 324 421  
**ADMINISTRATION MANAGER:** Vasco Funds Management Pty Ltd ACN 610 512 331

# NOTICE

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This Information Memorandum (**IM**) is dated 21 March 2018.

This IM details the features, benefits, risks and general information about the Dovetail Developments 111 Legacy Fund (**Fund**).

The trustee for the Fund and issuer of this IM is Vasco Investment Managers Limited ACN 138 715 009 AFS licence number 344486 (**Trustee**).

The Trustee has appointed Dovetail Capital Pty Ltd ACN 622 324 421 (**Investment Manager**) as the investment manager of the Fund. The Investment Manager is a corporate authorised representative (number 001262604) of D H Flinders Pty Ltd ACN 149 601 596 AFS licence number 353001.

The Trustee has also appointed Vasco Funds Management Pty Limited ACN 610 512 331 (**Administration Manager**) as the administration manager of the Fund.

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

## 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.

## IMAGES

Any images in this IM do not depict assets of the Fund unless otherwise indicated.

## UPDATED INFORMATION

Information in this IM may change. Updated information regarding this IM will be made available on the Trustees's website or otherwise by issuance of a replacement or supplementary information memorandum published on the Trustee's website at [www.vascofm.com](http://www.vascofm.com).

## QUESTIONS

Any questions regarding this IM should be directed to the Investment Manager on +61 402 084 884 or the Trustee on +613 8352 7120 or at [info@vascofm.com](mailto:info@vascofm.com) or at Level 5, 488 Bourke Street, Melbourne, Victoria, 3000, Australia.

## ASIC

This IM has not been lodged with ASIC and ASIC takes no responsibility for the content of this IM.

## RESTRICTIONS ON DISTRIBUTION

The Offer, as defined in Section 9 (Glossary), is an offer which is available to persons receiving this IM within Australia but does not constitute an offer of interests in any jurisdiction where, or to any persons to whom, it would be unlawful to make the Offer.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to the Offer. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

## INVESTOR TO UNDERTAKE OWN DUE DILIGENCE

Information contained in this IM has been provided to prospective Investors 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, Investment Manager, Administration Manager, D H Flinders, or 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;
- all information provided under this IM is accurate or correct or does not contain misleading or deceptive statements.

Whilst the Investment Manager has undertaken due diligence in relation to the Fund and the information which has been presented in this IM, it is possible that due to factors such as the passage of time or the uncertainty in forecast details 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 investments proposed by the Investment Manager, 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, its investments and the likelihood of returns from the Fund.

## IMPORTANT WARNING STATEMENTS

### ***No performance guarantee***

None of the Investment Manager, the Trustee, Administration Manager, D H Flinders, nor their associates or directors or any other person guarantees the performance or success of the Fund, the repayment of capital invested in the Fund or any particular rate of return on investments in the Fund.

There can be no assurance that the Fund will achieve results that are comparable to the track record of the Trustee or Investment Manager and their advisers or that the Fund's investment objectives will be achieved.

An investment in the Fund does not represent a deposit with, or a liability of, the Investment Manager, the Trustee, the Administration Manager, D H Flinders, or any of their associates.

An investment in the Fund is subject to investment risks which are described in Section 5 of this IM, including possible delays in repayment and loss of some or all of your income or capital invested.

Prospective Investors should read the whole of this IM before making a decision about whether to invest in the Fund. The information contained in this IM is general information only and not personal financial product advice and therefore does not take into account the individual objectives, financial situation, needs or circumstances of investors.

The risks associated with an investment in the Fund are different to a cash deposit or investment in an approved deposit taking institution (ADI).

Past performance should not be perceived as an indication of future performance as returns are variable and may be lower than expected.

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

Should it be required to protect all investments in the Fund, the Trustee, may use its discretion to delay or suspend redemptions from the Fund.

Investors should refer to Section 1 under the heading "Withdrawals" for details of the withdrawal rights.

### ***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 and 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.

### ***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,” “target,” “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 5, 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 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 Investors 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.

## **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.

## **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.

## **INDEPENDENT FINANCIAL ADVICE**

You should obtain independent professional advice specific to your circumstances and requirements from a licensed investment advisor.





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# LETTER FROM THE INVESTMENT MANAGER

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Dear Investor,

On behalf of the Dovetail Developments 111 Legacy Fund (Fund), I am delighted to present you with this opportunity to invest into our future boutique residential property developments located in the world's most liveable city - Melbourne, Australia.

The Investment Manager, Dovetail Capital (Dovetail) is a related entity of Dovetail Developments (Project Developer), a privately owned property development business that has successfully completed 11 projects (70 dwellings) valued at \$32 million across Melbourne and Brisbane. Dovetail Developments' current scope of work consists of 9 projects (81 dwellings) valued at \$60 million; 20 dwellings under construction (completing throughout 2018), 8 dwellings in planning and 5 new projects in the design phase (anticipated to collectively achieve 53 dwellings).

In recent years, Dovetail's focus has been strategically set on small to medium sized townhouse and apartment projects (ranging from 2-30 dwellings), targeting first home buyers and young families situated in Melbourne's Bayside and East. Based on this experience, Dovetail firmly believes that by creating homes for this specific market with its competitive advantage of an end-to-end development model, it mitigates risk throughout the development process, ensuring project delivery and confidence to deliver returns to Investors.

To maximise profits, Dovetail manages the development process end-to-end, from acquiring a raw site, securing a town planning permit, conducting the marketing/pre-sales campaign, arranging finance and appointing/managing the Builder to practical completion.

The Dovetail Developments 111 Legacy Fund provides Investors with a clearly defined strategy and offers an approximate target return of 11.1% per annum on their investment. The intent of the open-ended Fund is to continue Dovetail's growth and raise \$25 million to invest into approximately 5 to 10 new small to medium residential projects each year, (dependent on the timing of capital availability, external market conditions and opportunities that arise).

The Fund will benefit Investors by offering an attractive return, underpinned by Dovetail's diversification strategy of investing funds into more than one project at any one time, resulting in a greater average return. This methodology has been one of the keys to Dovetail's success over the last 7 years (across 11 projects), enabling positive investment results.



Each project that is invested in by the Fund will be rigorously assessed against the following criteria:

- Confidence to secure a timely permit for 2 to 30 dwellings based on land size/local Planning Scheme
- Located within metropolitan Melbourne, centrally to amenities, public transport, schools and retail precincts
- Evidence of a local pre-sale market and buyer demand, particularly First Home Buyers and young families
- A feasibility that supports an affordable price point without compromising quality or Investor returns
- Ability to deliver efficient floor plans, mixed dwellings (2-3 bedrooms) & Dovetail's signature design
- Certainty to obtain debt funding from a major construction lender or Bank
- Ease of buildability with a fixed price build contract including a 5% contingency
- Project timeline between 2 to 3 years for townhouses and 3 to 4 years for apartments

Vasco Investment Managers Limited will operate as the Fund's independent Trustee. Vasco's team has significant experience in the Asia Pacific region in private equity real estate funds, real estate development funds, mortgage and real estate debt funds.

On behalf of the Investment Manager, I encourage you to read this Information Memorandum and consider consulting a suitably qualified professional advisor to ensure that the Fund meets your individual requirements.

We look forward to partnering with you, fostering a long-term relationship as we leave a legacy of architecturally inspired homes, in locations where people love to live, enabling new home ownership for current and future generations.



A handwritten signature in blue ink, appearing to read 'C Bloomfield'.

**Cameron Bloomfield**  
*Managing Director*  
Dovetail Capital Pty Ltd

# 1. KEY FEATURES

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The table below is only 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.

<b>Trustee</b>	Vasco Investment Managers Limited <a href="#">Section 4.2 contains more information about the Trustee.</a>
<b>Investment Manager</b>	Dovetail Capital Pty Ltd <a href="#">Section 4.1 contains more information about the Investment Manager.</a>
<b>Administration Manager</b>	Vasco Funds Management Pty Limited <a href="#">Section 4.2 contains more information about the Administration Manager.</a>
<b>Investment structure</b>	<p>The Fund is an open-ended unlisted unregistered managed investment scheme structured as a unit trust established by the Trustee pursuant to the Constitution and is governed by Australian law.</p> <p>The Fund provides Unitholders an opportunity to acquire Units in the Fund which entitles them to returns (primarily capital gains) generated by the Fund.</p> <p><a href="#">Further detail about the investment structure is outlined below in section 2.</a></p>
<b>Investment strategy</b>	<p>The Fund aims to provide investors with an attractive return through investing in development projects managed by Dovetail Developments (Project Developer).</p> <p><a href="#">Further detail about the investment strategy of the Investment Manager is outlined below in section 2.</a></p>
<b>Minimum Investment Amount</b>	\$200,000. The minimum additional investment amount is \$10,000.
<b>Target Return</b>	<p>The Investment Manager is targeting a gross return to Investors of approximately 11.1% per annum over a 5 year time frame (pre-tax, after fees and expenses but before withholding tax payable by foreign resident Unitholders).</p> <p>This is a target return only and is not a forecast or a guaranteed return.</p>

<b>Distributions</b>	<p>Distributions are expected to be made as at the end of each Financial Year payable by 30 September of each year, following the finalisation of the Fund's annual accounts.</p> <p>Distributions will only be made from the income earned by the Fund over the course of the preceding year, which will be generated from the completion of any Development Project and the sale of all units, apartments or townhouses developed as part of that Development Project.</p> <p>Given the expected timeframe required to complete its first Development Project, it is unlikely a distribution of income will be made in the first financial year in which the Fund operates.</p> <p>The Trustee reserves the right to make distributions more frequently in its absolute discretion.</p> <p>The Trustee may also decide not to distribute amounts which it reasonably considers necessary required to meet any outgoings or liabilities (actual or contingent) in respect of the Fund including any amounts required for tax withholdings. Taxes paid or withheld that are allocable to one or more Unitholders will be deemed to have been distributed to such Investors for the purposes of determining the above calculations.</p> <p>Investors can choose to reinvest their distributions by making an election on their Application Form.</p>
<b>Minimum Term</b>	<p>Investors can only apply to withdraw their investment after having invested for a minimum term of 3 years from the date they are first issued units in the Fund, and subject to available liquidity.</p>
<b>Withdrawals</b>	<p>Investors are unable to withdraw from the Fund before the Minimum Term. Once the Minimum Term is reached, investors will be able to apply to withdraw from the Fund subject to available liquidity and submitting a valid Withdrawal Request.</p> <p>Liquidity is ordinarily provided by the completion of a Development Project. Subject to available liquidity, Withdrawal Requests will ordinarily be satisfied within 20 Business Days of the end of each calendar quarterly. However, the Trustee reserves the right under the Constitution to extend this period should it so require.</p> <p>Investors must complete and submit to the Trustee a Withdrawal Request at least 15 Business Days prior to the end of the calendar quarter.</p> <p>Where there are insufficient funds to satisfy all Withdrawal Requests received in a given calendar quarter or prior, Withdrawal Requests will be satisfied on a pro-rata basis each quarter until those Investors who have submitted a Withdrawal Request are fully withdrawn from the Fund.</p> <p>Withdrawal Request forms are available on the Trustee's website at <a href="http://www.vascofm.com">www.vascofm.com</a>.</p> <p>It is possible that the Trustee will not be able to satisfy any Withdrawal Requests and Investors will not be able to withdraw their investment in the Fund until the Fund is wound up by the Trustee.</p>

<b>Who can invest?</b>	<p>The Offer is only available to Qualifying Investors, meaning an Investor who:</p> <ul style="list-style-type: none"> <li>• Invests \$500,000 or more in the Fund;</li> <li>• or, if investing between \$200,000 and \$499,999.99: <ul style="list-style-type: none"> <li>• provides a certificate from a qualified accountant (substantially in a form provided by and available from the Trustee) that states that the Investor has net assets of at least \$2.5 million or has a gross income for each of the last two financial years of at least \$250,000; or</li> <li>• is a professional investor (including the holder of an Australian financial services licence, a person who controls more than \$10 million or a person that is a listed entity or a related body corporate of a listed entity).</li> </ul> </li> </ul>
<b>Target fund size</b>	<p>The Investment Manager is seeking to raise \$25 million, but may decide to accept at a lesser or greater amount.</p> <p>The Trustee retains the discretion to stop accepting new or additional investment applications from Investors at any point.</p>
<b>Issue of Units</b>	<p>Units in the Fund will be ordinarily be issued to Investors within eight Business Days after the end of the month in which Investor's completed Application Form and investment monies are received.</p> <p>The Trustee reserves the right to issue units more frequently in its absolute discretion.</p> <p><a href="#">Further detail about applying for Units in the Fund is outlined in section 10.</a></p>
<b>Units Price</b>	<p>The Unit price is based on the underlying value of the Fund's assets and is calculated in accordance with the terms of the Constitution.</p> <p>The withdrawal price for a Unit is also based on the underlying value of the Fund's assets. This price may be different from the price originally paid for the Unit as the Fund's assets are re-valued. However, the Unit price can be less than \$1.00 if the Fund's assets decrease in value, but cannot exceed \$1.00.</p> <p>The Unit Price will be updated on the Trustee's website from time to time.</p> <p>The price that will apply to your application may be different from that on the website as the one that will apply will be the one calculated after you submit your application.</p> <p>The value of your investment is not guaranteed.</p> <p><a href="#">Further detail about the Fund's valuation policy is outlined below in section 2.</a></p>
<b>Buy-sell spread</b>	<p>As at the date of this IM, there is no buy or sell spread.</p> <p>If introduced, buy and sell spreads will be published online at <a href="http://www.vascofm.com">www.vascofm.com</a> or by contacting Vasco Investment Managers Limited on +613 8352 7120</p> <p><a href="#">Section 5 contains a description of how buy and sell spreads are calculated.</a></p>



<b>Fees</b>	<p>The ongoing fees and costs payable by the Fund in relation to the management of the Fund include:</p> <ul style="list-style-type: none"> <li>• <b>Trustee fees:</b> 0.1% per annum subject to a \$25,000 minimum</li> <li>• <b>Investment Management Fees:</b> 1.5% per annum of the GAV of the Fund</li> <li>• <b>Performance fees:</b> 60% of any Project profit, payable on completion of a Development Project</li> <li>• <b>Administration fees:</b> \$15,000 per annum (where the GAV of the Fund is less than \$10m and there are less than 25 Investors) or \$25,000 per annum (where the GAV of the Fund is \$10m or more or there are 25 Investors or more). These amounts are subject to a 5% increase on 1 January each year</li> </ul> <p>The Trustee and Investment Manager are also entitled to certain establishment and termination fees.</p> <p>Each Project SPV will also incur fees and charges in relation to each Development Project, including fees paid to the Project Developer.</p> <p><a href="#">Section 5 contains a detailed description of the fees and costs payable in relation to the management of the Fund.</a></p>
<b>Expenses</b>	<p>The Trustee has the right to be paid out of the assets of the Fund for any additional expenses incurred in management of the Fund.</p> <p><a href="#">Section 5 contains a detailed description of the fees and costs payable in relation to the management of the Fund.</a></p>
<b>Risks</b>	<p>It is important that you read and consider the risks associated with and investment in the Fund before deciding whether to invest. For example, distributions or capital returns are not guaranteed. Further details regarding the risks associated with investing in the Fund are included in Section 5 of this IM.</p>



## 2. INVESTMENT DETAILS

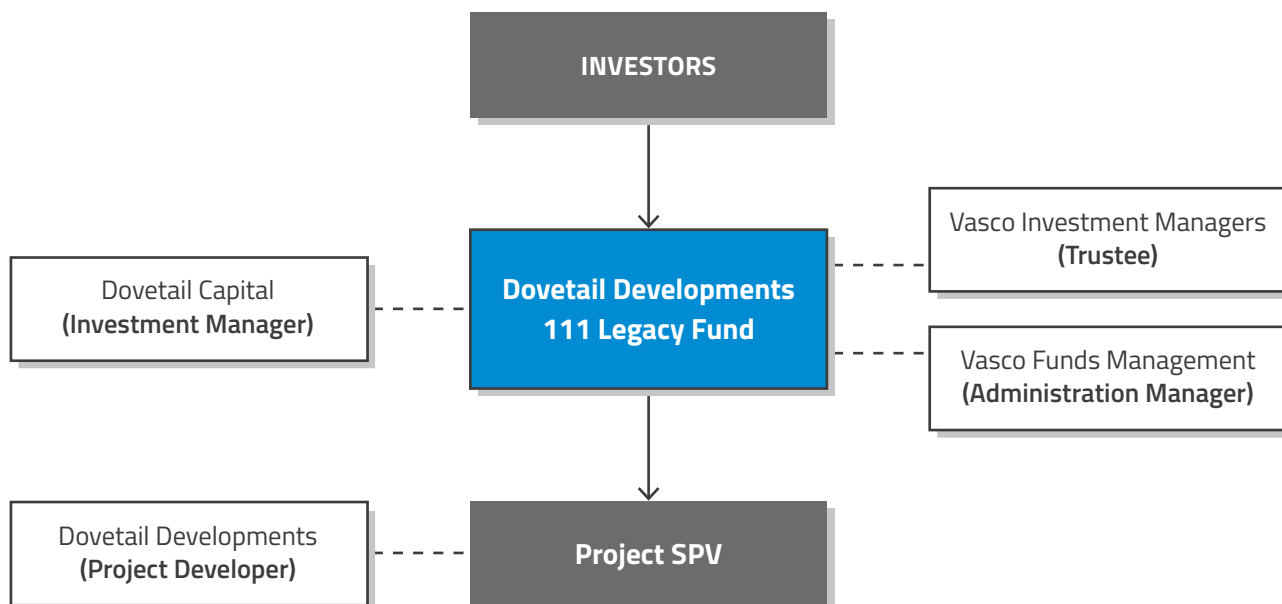
### 2.1 INVESTMENT STRUCTURE

The Fund has been established to provide equity funding to property development projects (**Projects**) where Dovetail Developments or a related entity (**Project Developer**) are responsible for developing the project.

The equity funding will predominantly take the form of an investment in special purpose companies or trusts that undertake the Projects (**Project SPV**).

If considered appropriate by the Investment Manager, the Fund may also invest in joint venture arrangements with a land owner, buy an option over a property, or sell an option or land directly at any stage during the development cycle of a Project to maximise the returns of an investment opportunity.

The following diagram illustrates the structure of the Fund and relevant parties involved:



Legally, the Fund is an unlisted, unregistered managed investment scheme structured as a unit trust and established by a Constitution dated 9<sup>th</sup> February 2018 which regulates the relationship between the Trustee and Investors.

As at the date of this IM, there is no intention to register the Fund with ASIC or to list the Fund on a secondary market such as the ASX.

Vasco Investment Managers Limited (**Vasco**) is the Trustee of the Fund. Vasco has appointed Dovetail Capital Pty Ltd as the Fund's investment manager.

The Investment Manager and Project Developer are related entities and part of the larger Dovetail group of companies (**Dovetail**).

Vasco has also appointed Vasco Funds Management Pty Limited as the Fund's administration manager.

## 2.2 INVESTMENT STRATEGY

In recent years, Dovetail's focus has been strategically set on small to medium sized townhouse and apartment projects (ranging from 2-30 dwellings), targeting first home buyers and young families in the world's most liveable city, Melbourne. Major economic and demographic fundamentals supporting Dovetail's business case, include:

### 1. Liveability



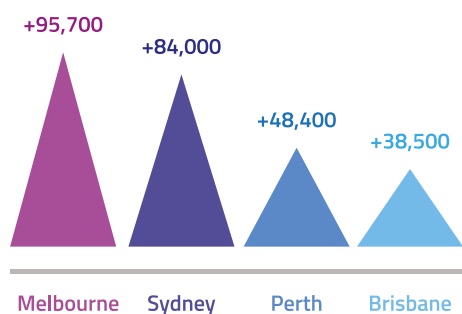
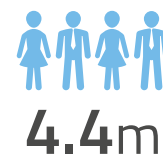
**Ranked #1**  
in The Economist's 'Most Liveable City in the World' Survey for 5 consecutive years



Melbourne's Bayside & Eastern suburbs were featured **7 times in the Top 10** of Melbourne's Most Liveable Suburbs 2015 Survey

### 2. Population Growth

Current population is **4.4 million** and it is growing at a rate of 2.25% per annum



**In 2014, Melbourne had the largest growth of all Australian Capital Cities** (up by 95,700), followed by Sydney (84,000), Perth (48,400) and Brisbane (38,500)

The Australian Bureau of Statistics predicts that **Melbourne has the potential to outgrow Sydney by 2056** (Melbourne's population is expected to be 8.2 million vs. 8 million in Sydney)



### 3. Migration



In **2012-2013**, 62,000 international migrants relocated to Melbourne



**7,528**

Melbourne attracts the most interstate migration across the country - **in 2013**, 7,528 people relocated from other Australian states to Victoria (this was higher than Brisbane and Sydney)

### 4. Economy



Melbourne has a diversified economy with strengths in finance, manufacturing, research, IT, education, logistics and tourism.



Many of Australia's largest corporations situate their headquarters in Melbourne, including, BHP, ANZ, Telstra, Wesfarmers and Toyota



The University of Melbourne is Australia's top University (ranked #33 globally by The Times Higher Education University Rankings)

It is the 12<sup>th</sup> largest economy in the world – our Gross State Production was A\$343.8 billion (compared to Singapore A\$296b and New Zealand A\$181b)



### 5. Affordability

- In June 2015, Sydney's median house price reached \$1,000,616 vs. Melbourne's \$668,030
- To buy in central Sydney it is approximately \$9711.37 per square metre – which on average is \$1000 more expensive than central Melbourne (\$8771.11 per square metre). Outside the centre, Sydney is roughly \$300 more than Melbourne (on average) per square metre.
- On average, a Sydney-sider earns a little more than \$100 extra per month than a Melbournian (\$4699.51 per month in Sydney, after tax, compared to \$4495.76 in Melbourne).

#### CRITERIA

Based on experience, Dovetail firmly believes that by creating homes for its specific target market, with its competitive advantage of an end-to-end development model, it mitigates risk throughout the development process, ensuring project delivery and confidence to deliver returns to Investors.

Each project that is sponsored by the Fund will be rigorously assessed against the following criteria:

- Confidence to secure a timely permit for 2 to 30 dwellings based on land size/local Planning Scheme
- Located within metropolitan Melbourne, centrally to amenities, public transport, schools and retail precincts
- Evidence of a local pre-sale market and buyer demand, particularly First Home Buyers and young families

- A feasibility study that supports an affordable price point without compromising quality or Investor returns
- Ability to deliver efficient floor plans, mixed dwellings (2-3 bedrooms) and Dovetail's signature design
- Ability to obtain debt funding from a major construction lender or Bank
- Ease of construction with a fixed price build contract including a 5% contingency
- Project timeline between 2 to 3 years for townhouses and 3 to 4 years for apartments

## LOCATION

The Projects to be developed within the Fund will be located in metropolitan Melbourne, predominantly within the Bayside and East, central to amenities, public transport, schools and retail precincts.

## PROPERTY TYPES

Dovetail's developments consist of small to medium density town houses and apartments.

## DEVELOPMENT PROCESS

To maximise profits, Dovetail manages the development process end-to-end, from acquiring a raw site, design, securing a town planning permit, conducting the marketing/pre-sales campaign, arranging construction finance, appointing/managing the Builder to practical completion and overseeing settlements of the newly developed properties.

## 2.3 BORROWING

While the Fund does not expect to have any direct borrowings, each of the Project SPVs may borrow in order to fund the purchase of land or construction costs of each Project.

LVR's will be assessed on a project to project basis by the Investment Manager whilst taking into account relevant risks, in conjunction with reducing costs to improve performance of The Fund.

Each Project SPV is expected to maintain a gearing ratio (otherwise known as a loan-to-value ratio) to 80% of the value of all Property or Project being used to secure any loan.

The ultimate gearing ratio of each Project SPV will be determined by the Investment Manager in its discretion, based on the nature of each Project SPV.

Any borrowing for land purchase or construction will be in isolation to each SPV and no cross collateralisation will occur.

Market forces also dictate borrowings of low density residential properties and construction projects available within the lending market with LVRs equal to or less than 80%.

## 2.4 VALUATION POLICY

The Trustee maintains and complies with a written valuation policy, which is reviewed at least annually or as market circumstances dictate. This policy may be updated from time to time and is available on the Trustee's website at [www.vascofm.com](http://www.vascofm.com)

## 2.5 INVESTING SURPLUS FUNDS






From time to time the Fund may have excess capital which is not immediately required or able to be suitably invested or monies which are being held pending distribution to Investors. In those circumstances the Investment Manager may invest those monies in cash and cash equivalents (i.e. term deposits offered by ADIs) or such other similar creditworthy and liquid investments as determined by the Investment Manager from time to time.

## 3. DOVETAIL'S PORTFOLIO OF PROJECTS

The following are examples of completed projects undertaken by those involved in the Fund. These project are not investments of the Fund.

### 3.1 COMPLETED PROJECTS






#### RIDLEY STREET, AUCHENFLOWER, QUEENSLAND

	Name:	Aspect 17
	Project:	15 Apartments
	Program:	1.1 / QLD
	Bedrooms:	2-3
	Status:	Completed February 2012










## DEBRA STREET, SALISBURY, QUEENSLAND

	<b>Name:</b>	Debra Street Venture
	<b>Project:</b>	17 Townhouses
	<b>Program:</b>	1.2 / QLD
	<b>Bedrooms:</b>	2-3
	<b>Status:</b>	Completed October 2012








## ROSELLA AVENUE, BORONIA

	<b>Name:</b>	Xavier's Rise
	<b>Project:</b>	6 Townhouses
	<b>Program:</b>	2.1 / Knox
	<b>Bedrooms:</b>	2-3
	<b>Status:</b>	Completed February 2012








## WOODVALE ROAD, BORONIA

	<b>Name:</b>	Gabrielle's Gaarden
	<b>Project:</b>	7 Townhouses
	<b>Program:</b>	2.2 / Knox
	<b>Bedrooms:</b>	2-3
	<b>Status:</b>	Completed February 2018



## DORSET ROAD, BORONIA






	<b>Name:</b>	The Belle Apartments
	<b>Project:</b>	17 Apartments
	<b>Program:</b>	2.3 / Knox
	<b>Bedrooms:</b>	1-2
	<b>Status:</b>	Completed March 2018










## 3.2 PROJECTS UNDER CONSTRUCTION

### ADELE AVENUE, FERNTREE GULLY, VICTORIA

	<b>Name:</b> Charlotte's Mews
	<b>Project:</b> 14 Townhouses
	<b>Program:</b> 2.4 / Knox
	<b>Bedrooms:</b> 2
	<b>Status:</b> Under Construction








## HYGEIA STREET, RYE, VICTORIA

	<b>Name:</b>	Rye Beach Homes
	<b>Project:</b>	2 Beach Homes
	<b>Program:</b>	3.1 / Bayside
	<b>Bedrooms:</b>	4
	<b>Status:</b>	Under Construction



## FRENCH AVENUE, EDITHVALE, VICTORIA

	<b>Name:</b>	Noah's Arc
	<b>Project:</b>	4 Townhouses
	<b>Program:</b>	3.2 / Bayside
	<b>Bedrooms:</b>	2-3
	<b>Status:</b>	Permit Approved





## 3.3 PROJECTS IN DESIGN & TOWN PLANNING


### GOTHIC ROAD, ASPENDALE, VICTORIA

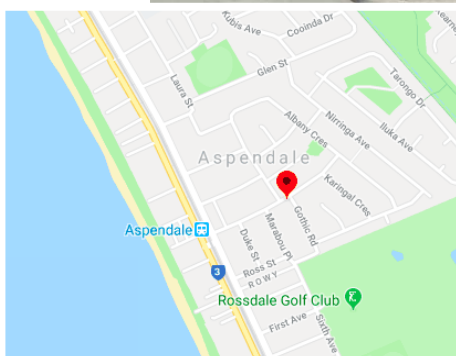
 **Name:** Aspendale Townhouses

 **Project:** 8 Townhouses

 **Program:** 3.3 / Bayside

 **Bedrooms:** 2-3

 **Status:** In Planning



### GOTHIC ROAD, ASPENDALE, VICTORIA

 **Name:** Aspendale Apartments

 **Project:** 29 Apartments

 **Program:** 3.4 / Bayside

 **Bedrooms:** 1-2-3

 **Status:** Design Stage



Artist Impression Only

## BONBEACH

 **Name:** Bonbeach Townhouses

 **Project:** 4 Townhouses

 **Program:** 4.1 / Bayside

 **Bedrooms:** 2-3

 **Status:** Design Stage



## BONBEACH

 **Name:** Bonbeach Townhouses

 **Project:** 8 Townhouses

 **Program:** 4.2/ Bayside

 **Bedrooms:** 2-3

 **Status:** Design Stage



## BAYSIDE

 **Name:** Bayside Luxury Apartments

 **Project:** 16 Large Apartments

 **Program:** 4.3 / Bayside

 **Bedrooms:** 3

 **Status:** Acquisition



Artist Impression Only

# 4. MANAGEMENT OF THE FUND

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## 4.1 THE INVESTMENT MANAGER

Appointed by the Trustee, Dovetail Capital Pty Ltd (**Investment Manager**) is the Fund's investment manager and is responsible for marketing the Fund and managing the Fund's investments.

The Investment Manager (along with the Project Developer) are part of the Dovetail group of companies (**Dovetail**).

Established in 2010, Dovetail specialises in boutique low to medium density residential property developments and provides a holistic end to end project management service offering. Over the last 7 years, Dovetail has either managed or directed 20 projects, totaling 151 dwellings with a value of \$92 million and has experience and capability across:

- property market research
- investor relations, funds management and capital raising
- site finding, negotiating and acquisition
- conducting detailed feasibilities and due diligence processes
- concept, strategic and architectural design
- end to end project management from concept to completion
- establishing and coordinating a reputable project consultant team
- project marketing and sales
- liaising with local council authorities throughout design, development approval and endorsement
- coordinating working drawings and build tender process
- commercial banking and finance
- working closely with appointed builders throughout a projects development lifecycle

Dovetail is known for its contemporary, efficient and architectural designs, the highly liveable locations of its projects, affordability and most importantly, the trusted long-term relationships it has established with its high caliber and experienced project consultant team, buyers and sales agents.

Of Dovetail's 20 accumulative projects amassing 151 dwellings, the company's goal is to continue its steady growth by increasing its projects by a further 100 dwellings to reach its target of 250 dwellings either completed or under management by the end of 2018.

See website [www.dovetaildevelopments.com.au](http://www.dovetaildevelopments.com.au) for more details.

## CAMERON BLOOMFIELD

Cameron Bloomfield is the Founding Principal of the Investment Manager, the Project Developer and the broader Dovetail group of companies.

Cameron was exposed to construction sites from a young age through his father who also worked in the industry. It was no surprise when his passion for property began to evolve from researching to investing, then developing.

To date, some of Cameron's professional achievements include:

- Overseeing Dovetail's completion of 11 projects to the value of \$32 million
- Ensuring Dovetail's 100% completion rate
- Leading Dovetail's current development portfolio to the value of \$72 million.

Cameron's goal is to be the most reputable boutique townhouse and apartment developer in Melbourne, delivering a legacy of 1000 affordable homes by year end 2020. With a specialisation in identifying raw sites, running comprehensive feasibilities and working hand in glove with designers to produce both architecturally striking and liveable homes, Cameron is well on his way to achieving this goal, by steadily building his development portfolio year after year.

Prior to developing, early in his career Cameron completed a Bachelor of Business and Marketing and worked for some of Melbourne's leading media organisations, including Yahoo7! and APN News & Media. This experience and his passion for marketing, plays a critical role in his business today, with Dovetail conducting all of its project marketing in-house, delivering a truly end to end development management service offering.

Like all successful business leaders, spare time is a scarce resource, however Cameron trains daily whether swimming, cycling or running and competes in triathlon & Ironman events across Australia. His highly-driven and motivated nature has an outlet in athletic excellence, with the mental stamina required proving to be an invaluable asset for business.

Out of the office, Cameron enjoys catching up with family (each of the projects are named after his nieces and nephew), connecting with those with philanthropic endeavours and playing golf. After achieving two hole in ones during his junior years, Cameron continues to seek out the illustrious third and enjoys the opportunity to combine his two passions, business and golf!

Cameron Bloomfield's mission is to change people's lives through property and regularly connects with like-minded companies and individuals who share the same values and interests.



## 4.2 THE TRUSTEE AND ADMINISTRATION MANAGER

Vasco Investment Managers Limited (**Trustee**) and Vasco Funds Management Pty Ltd (**Administration Manager**) are part of an investment management group that provides responsible entity, trustee, fund administration and distribution services to Australian and international investment managers.

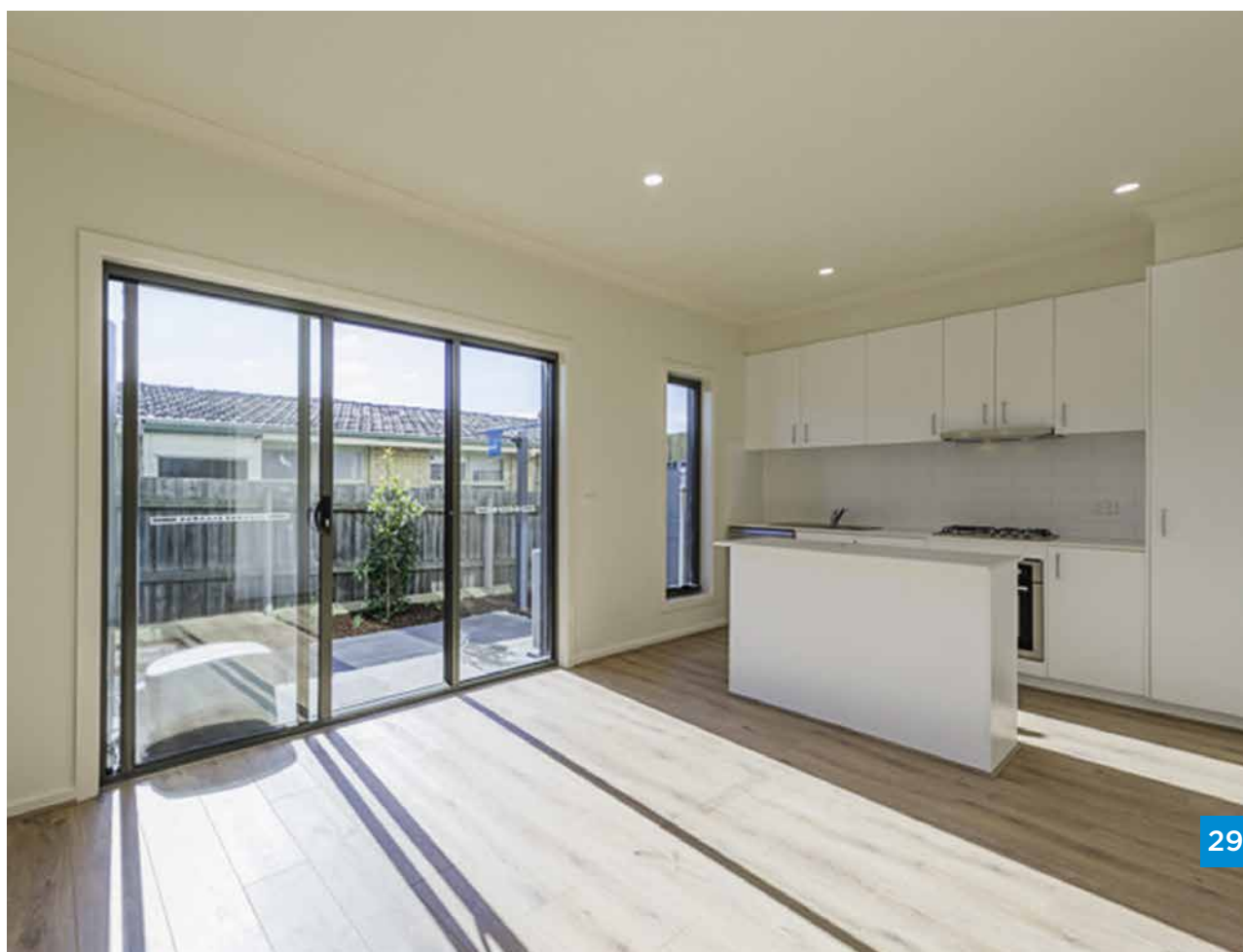
The Vasco team have significant experience in the Asia Pacific region in the management of equity funds, fixed income funds, REITs, private equity real estate funds, real estate securities funds, and mortgage and real estate debt funds.

Some of the funds Vasco's executives have developed include the \$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 Golden Age Development Group, Lauders Development Group, China Asset Management (HK), 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.

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





# 5. FEES AND COSTS

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## 5.1 TRUSTEE FEES

The Trustee is entitled to the following fees (excluding GST):

1. An **establishment fee** of \$19,500, payable on establishment of the Fund.
2. An **annual trustee fee** equal to 0.10% per annum of the Fund's gross asset value, subject to a minimum fee of \$25,000 per annum. This fee accrues and is calculated monthly from execution of the Constitution and is payable to the Trustee monthly in arrears from establishment of the Fund.
3. Where the Trustee is terminated or replaced, a **trustee replacement fee** of:
  - \$9,500 plus GST; plus
  - where the Trustee is terminated or replaced within 3 years of the establishment of the Fund, the balance of the annual fee which would have been otherwise payable calculated on the basis of the gross asset value of the Fund
4. A **document review and execution fee** of \$250 for each set of investment documents that requires the Trustee's review and execution

## 5.2 ADMINISTRATION FEES

The Administration Manager is entitled to an annual fee (excluding GST) of:

- \$15,000 where the gross asset value (GAV) of the Fund is less than \$10 million and there are less than 25 unitholders, or
- \$25,000 where the GAV of Fund is \$10 million or more or where there are 25 investors or more unitholders but less than 50 unitholders, and
- \$5,000 for each additional unit class beyond the first

These fees are payable monthly in arrears from receipt of the first application to invest in the Fund and subject to an annual increase of 5% on the 1st of January of each year.

## 5.3 INVESTMENT MANAGER'S FEES

The Investment Manager is entitled to the following fees (excluding GST):

1. An annual investment management fee equal to 1.5% per annum of the Fund's gross asset value. This fee accrues monthly from establishment of the Fund and is payable to the Investment Manager quarterly in arrears.
2. A performance fee of 60% of the realised profit of any Project.

The Investment Manager has agreed to forego its fees at times when, the Trustee's opinion, the Fund is unable to pay them and may be reimbursed at some point in the future.

## 5.4 EXPENSES

The Trustee is also entitled to be paid or reimbursed for expenses associated with establishing and operating 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.

## 5.5 PAYMENT OF FEES AND EXPENSES

The Investment Manager has agreed to pay the Trustee's fees, Administration fees and expenses of the Fund until such time as, in opinion of Trustee, the Fund is in a position to pay these fees and expenses directly, and may be reimbursed at some point in the future.

## 5.6 EARLY EXIT FEE

The Trustee retains the right in its absolute discretion to allow Investors to withdrawal earlier than the end of the specified Minimum Term. Any request to withdraw early, if paid, will be subject to a 1.5% early exit fee, at the discretion of the Trustee, on the Investment Manager's recommendation.

## 5.7 INDIRECT COSTS

Each Project SPV will also incur fees and charges in relation to each Project, including fees paid to the Project Developer.

## 5.8 BUY SELL SPREAD

Investments and withdrawals may incur buy and sell spreads, which are designed to ensure, as far as practicable, that any transaction costs incurred as a result of an investor entering or leaving the Fund are borne by that investor, and no other investors.

Buy and sell spreads are calculated based on the actual or estimated costs the Fund may incur when buying or selling assets. They will be influenced by our experience of the transactional costs

associated with these assets or the costs that the Fund has actually paid, and will be reviewed whenever necessary to ensure they remain appropriate.

When you enter or leave the Fund, any buy or sell spread applicable at that time is a cost to you and is reflected in the unit price.

The buy and sell spreads are retained within the Fund and are not fees paid to the Trustee or the Investment Manager. The buy spread is taken out of application amounts. The sell spread is taken out of withdrawal amounts.

As at the date of this PDS, there is no buy or sell spread applicable to the Fund. Current buy and sell spreads can be obtained online at [www.vascofm.com](http://www.vascofm.com) or by contacting us.

## **5.9 GOODS AND SERVICES TAX**

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

## **5.10 WAIVER, DEFERRAL OR REBATE OF FEES**

The Trustee or Investment Manager may 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.



# 6. RISKS

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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 prospective investors should be aware of when investing in the Fund.

Before investing, prospective investors should consider whether the Fund is a suitable investment, having regard to their personal investment objectives, financial position, particular needs and circumstances.

Prospective investors should also consider and take into account the level of risk with which they are comfortable, the level of returns they require, as well as their frequency and nature and their investment time horizon. Prospective investors should seek professional advice in setting their investment objectives and strategies.

The risks described below are not exhaustive and whether a risk is specifically referred to in this section or not, that risk may have a material effect on the performance and value of the Fund.

Importantly, prospective investors should note that the value of an investment in the Fund, and income received by investors, may rise or fall and, consequently, Investors may suffer losses (including the loss of all of their capital investment in the Fund).

## 6.1 PROPERTY AND DEVELOPMENT RISKS

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 value of the Projects. These may result in a reduction of distributions and returns.

## 6.2 MARKET RISK

Real estate valuations fluctuate and the value of real property is determined by market forces at any particular time. This may result in the value of the Property held by the Project SPVs increasing or declining in value. There is also a risk that if the Project SPV wishes to sell a Property, the Property may not be able to be sold for its current valuation or there may be delays in selling the Property, due to property market conditions or other factors.



## 6.3 PLANNING AND DEVELOPMENT RISK

The Project SPV will undertake planning works and there are numerous risks associated with such works. For example, the Project SPV could be exposed to adverse planning and building approvals and timing delays which could occur at any stage of the process, increasing the duration of Projects and impacting negatively on cash flows. Approval may not be granted or granted on conditions the Trustee does not find acceptable. These risks cannot be completely mitigated however the Trustee intends to mitigate them where possible by using appropriate contracts and contractors.

## 6.4 CONSTRUCTION RISK

Construction costs may be materially different from those forecast by the Project Developer on a particular Project. This could result in an increase in the expenses of the Project SPV, reducing expected ultimate profits and returns to Investors.

## 6.5 ENVIRONMENTAL RISK

Land contamination, the presence of hazardous materials, asbestos or other contaminants may be found on the Projects and have an adverse impact on the Fund. Any of these risks, should they eventuate, may have an adverse effect on returns to investors.

## 6.6 PROJECT SALES PRICES AND TIMING OF COMPLETED PROJECTS

Projected sale prices of units and townhouses from completed Projects may not be achieved and sales of units and townhouses may take longer to achieve than anticipated. In addition, the registration of the titles for individual townhouses may be delayed by the council. If the prices cannot be achieved, or if the sales take longer than anticipated, then this will impact on the quantum of SPV revenue and may have an adverse effect on returns to Investors.

## 6.7 THIRD PARTY RISK

Service providers, including external contractors and related parties, will be appointed to carry out the Projects and may default in the performance of their services to the Project SPVs or may become insolvent. Similarly, if the Trustee enters in a joint venture arrangement with a third party to carry out a particular Project, then there is also a risk the joint venture party may default in the performance of its services or obligations to the Fund under the joint venture arrangement. Enforcement of contractual arrangement and replacement of service providers may result in additional cost to the Fund and reduce returns to investors.

## 6.8 INVESTMENT RISK

The value of an investment may rise or fall, distributions may or may not be paid and an investor's capital may be at risk from adverse investment performance. No guarantee is made by the Trustee, the Investment Manager, any of their directors, associates or consultants on the performance of the Fund.

## 6.9 MANAGEMENT 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 (including Cameron Bloomfield) 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 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, the Investment Manager and the Administration 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 Investment Manager and its investment professionals to achieve the Fund's objectives when investing in Projects. If the Investment Manager and their investment professionals were not to continue in their respective roles, the Fund may not be able to achieve its objectives.

## 6.10 DEFAULT AND CREDIT RISK

The ability of the Fund to recover any of its investment may be impacted by and subject to the rights of a senior secured lender. This means that the senior debt lender will have priority in respect of all funds of any nature and after repayment of the senior debt lender there may not be sufficient funds to repay the Fund.

Further, there will be no rights to recover the debt by seeking to take control or sell any real property of the Investment Manager. The investment will be subordinated to both secured creditors (i.e., bank(s) providing debt finance to the Project Developer) as well as general creditors (e.g. service providers)

## 6.11 FUNDING RISK

At the time of the issue of this IM, the Investment Manager has not yet secured debt finance for the Projects. There is a risk that the Project SPV does not obtain the funding required to complete a particular Project, in which case the management team of the Project SPV may determine it is in the best interests of investors to sell a Project during its development phase and in any event, prior to its completion.

## 6.12 DIVERSIFICATION RISK

The Fund will be exclusively investing in real estate development projects including low density town houses and apartments, located in metropolitan Melbourne, predominantly within the Bayside and East, central to amenities, public transport, schools and retail precincts. As such, the Fund will not be diversified by sector or geography and the Fund will be exposed to any events which have an adverse effect on the value of the underlying assets in the real estate development sector including low density town houses and apartments, located in metropolitan Melbourne.

The Fund however will benefit Investors by offering an attractive return, supported by Dovetail's unique diversification strategy of investing funds into more than one project at any one time, resulting in a greater average return. This diversification methodology has been one of the keys to Dovetail's success over the last 7 years (across 11 projects), enabling positive investment results.

## 6.13 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.

## 6.14 LIQUIDITY RISK

The Fund is an illiquid investment and 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. The Trustee has the discretion to refuse a transfer of Units if, in the Trustees's opinion, the transfer is not in the interests of the Fund or if the Unitholder or transferee has not complied with any applicable laws.

You should only consider an investment in this Fund if you are not likely to require access to your investment in the medium to long term. Satisfying Withdrawal Requests is at the discretion of the Trustee and will need to be shared pro rata with any other Unitholders wishing to withdraw (where there are insufficient funds to meet all Withdrawal Requests). As a result there is a risk that investors may not be able to exit their investment in the Fund for some time and may hold their investment in the Fund for longer than the medium-term.

## 6.15 OPTIONS RISK

In some instances the Project SPV might utilise options instead of purchasing the Property upfront. In a falling or rising market, it is possible that an option may not change in value at the same rate as the underlying security due to the remaining time value of the option.

## 6.16 TAX RISK

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

## 6.17 VALUE OF UNIT RISK

The value of a unit in the Fund may rise or fall. A fall in the value of the Fund's assets may result in a fall in the Unit Price and an increase in the gearing level of the Project SPV. Property values are affected by a number of factors which may include supply and demand of competing property assets, interest rates, gearing, market sentiment, government policy, taxation and general market conditions.

## 6.18 ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

Changes in environmental policy, ratings systems (e.g. NABERS) and other legislated environmental outcomes may adversely affect the projects. Additionally, changes in social norms, outcomes or expectations, including the governance of investments, may impact positively or negatively on the Fund.

## 6.19 GEARING RISK

The Project SPVs intend on having debt facilities and thus Unitholders will be exposed to gearing risk. Gearing can magnify gains but can also magnify losses and typically gearing increases the risk of the Investment.

While the Fund does not expect to have any direct borrowings, each of the Project SPVs may borrow in order to fund the purchase of land or construction costs of each Project.

Each Project SPV will limit the maximum gearing ratio (otherwise known as a loan-to-value ratio) to 80% of the value of all Property or Project being used to secure any loan.

## 6.20 INTEREST RATE RISK

Interest rates on debt and deposit facilities may rise and fall. Such fluctuations may decrease the level of cash flow of the Fund which could result in facilities being in default.

## 6.21 PERFORMANCE RISKS

These risks relate to the performance of underlying property assets and may include:

- Inability to sell a property due to a depressed property market or at the time of disposal
- Damage to a building as a result of fire, tempest, malicious damage, earthquake, etc. (however, these risks will be insured against)
- Risk that the Fund will be involved in disputes or litigation
- Changes in income tax, indirect tax or stamp duty legislation or policy may affect the Fund's returns.

## 6.22 OPERATING HISTORY

The Fund has no operating history upon which Unitholders may base an evaluation of its likely performance. The success of the Fund's investment activities will depend almost entirely on the Investment Manager's ability to carry out the proposed investment strategy successfully. While the principal of the Investment Manager has previous experience making and managing investments of the type contemplated by the Fund, there can be no assurance that the Fund's investments will achieve the Target Return.

Given the nature of the Fund, it is not expected that there will be any opportunity to withdraw prior to 3 years from the date of this PDS.

Before such time, there will be no capital return on the Investment. There can be no assurance that profits will be realised from projects and losses may be realised before gains are realised. Unitholders should also note that Fund operating expenses, including annual management fees, may exceed income or realised profits therefore requiring the difference to be paid from the Fund's capital.

## 6.23 VALUATION RISK

This is the risk that valuation of a Project is inaccurate so that the amount realised on a winding up of the Fund is less than would have been expected had the valuation been correct.



## 6.24 FEES AND EXPENSES

The Fund will incur fees and expenses regardless of whether it is successful. The Fund will pay Investment Manager fees, Trustee fees and administration fees whether or not it receives its returns. In addition, the Fund will also be required to pay annual Investment Manager fees, Trustee fees and administration fees whether the funds raised are fully utilised or not. The Fund must therefore ensure that sufficient liquidity is maintained in order to meet these and other expenses. The Trustee and the Investment Manager expect to incur significant costs and expenses in seeking to source, evaluate, structure, negotiate, close, monitor and exit the investment 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 the investment. There can be no assurance that the Fund will be successful in being able to recover these fees and expenses from a successfully closed investment. These amounts may be significant and could have an adverse impact on the return that Unitholders might otherwise realise.

## 6.25 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.

## 6.26 OTHER RISKS

It is important to note that not all risks can be foreseen. It is therefore not possible for the Investment Manager to protect the value of the Fund's investment from all risks. Prospective 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 investments or the performance of the Fund. We strongly recommend that Investors obtain independent financial advice before investing in the Fund.**

# 7. TAXATION INFORMATION

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Each Investor's taxation position will depend on their individual circumstance and Investors should seek their own taxation advice in relation to the taxation of income distributed by the Fund, whether interest, dividends, capital gains, etc.

## 7.1 TAX FILE NUMBER AND AUSTRALIAN BUSINESS NUMBER

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%).

## 7.2 AUSTRALIAN GOODS AND SERVICES TAX (GST)

GST should not be payable on the issue or redemption of units nor on any of the distributions to Unit holders. 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.

## 7.3 STAMP DUTY ON THE TRANSFER OF UNITS

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

## 7.4 AUSTRALIAN GOODS AND SERVICES TAX (GST)

GST should not be payable on the issue or redemption of Units nor on any of the distributions to Investors. 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.

## 7.5 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.

## 7.6 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 is a 'Reporting Financial Institution' under CRS and intends 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).

The CRS regime took effect on 1 July 2017, with the first exchange of information to occur in 2018.



# 8. ADDITIONAL INFORMATION

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## 8.1 SUMMARY OF MATERIAL DOCUMENTS

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

1. Constitution
2. Investment Management Agreement
3. Administration Agreement

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

### 1. CONSTITUTION

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 Fund. However, a Unit does not give you an interest in any particular part of the Fund. Subject to the Constitution, 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 adversely 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.

### 2. INVESTMENT MANAGEMENT AGREEMENT

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

The Investment Management Agreement will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated

by the Trustee if the Investment Manager is in material breach of the agreement, and that breach has not been remedied after a certain time. There are also provisions allowing the Trustee 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.

### **3. 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.

## **8.2 RELATED PARTY TRANSACTIONS**

The Trustee may from time to time face conflicts between its duties to the Fund as trustee, its duties to other funds that it manages and its own interests. The Trustee will manage any conflicts in accordance with its conflicts of interest policy, the Constitution, ASIC policy and the law.

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, which will be on arm's length terms. For example, the Administration Manager is a related party of the Trustee.

By making an investment in the Fund, unit holders acknowledge that the Fund will make investments in or through related parties of the Investment Manager. The Investment Manager and its directors may be conflicted in making investment decision on behalf of the Fund that may benefit other businesses that they are involved in. The Trustee does not guarantee that such transactions will be entered into on arm's length terms.

It is not the responsibility of the Trustee to assess the merits of each investment recommended by the Investment Manager, but rather to make sure that each investment is contemplated by this IM and the Constitution.

## **8.3 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 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.

## 8.4 ANTI-MONEY LAUNDERING LAW

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

The Trustee may need to identify:

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

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

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

## 8.5 TRANSFER OF UNITS

You can transfer the ownership of your Units at any time provided that the transferee meets the requirements of an Investor in the Fund and has been approved by the Trustee.

Under the Constitution, the Trustee has the discretion to refuse the transfer of Units and is not obliged to accept a transfer of Units. Please note that a transfer of Units may have taxation consequences. See Section 6 of the IM for further information.

There will not be any established secondary market for the sale of Units.

## 8.6 CONSENTS

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

- Dovetail Capital Pty Ltd
- Dovetail Developments Pty Ltd
- Vasco Funds Management Pty Ltd
- D H Flinders Pty Ltd



## 9. GLOSSARY

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<b>Administration Manager</b>	Vasco Funds Management Pty Ltd ACN 610 512 331
<b>AFS licence</b>	Australian financial services licence.
<b>Application Form</b>	The application form included in or accompanied by this IM.
<b>Application Money</b>	The money paid by an applicant for Units.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	The Australian Securities Exchange Limited.
<b>Business Day</b>	A day on which banks are open for business in Melbourne, except a Saturday, Sunday or public holiday.
<b>Class</b>	A class of Units.
<b>Commencement Date</b>	The date of commencement of the Fund, being the date on which Units are first issued.
<b>Constitution</b>	The constitution establishing the Fund dated 18 March 2017 as amended from time to time.
<b>Corporations Act</b>	Corporations Act 2001 (Cth) for the time being in force together with the regulations of the Corporations Act.
<b>Developer</b>	Dovetail Developments Pty Ltd ACN 623 023 861
<b>Fees and Costs</b>	The relevant fees and costs outlined in Section .
<b>Fund</b>	Dovetail Developments 111 Legacy Fund
<b>GST</b>	Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999, as amended.
<b>IM</b>	This information memorandum.

<b>Investment Management Agreement</b>	The investment management agreement between the Trustee and the Investment Manager dated on or about the date of this IM.
<b>Investment Manager</b>	Dovetail Capital Pty Ltd ACN 622 324 421, an authorised representative (number 001262604) of D H Flinders Pty Ltd ACN 149 601 596 AFS licence number 353001.
<b>Investor</b>	A holder of Units.
<b>Minimum Term</b>	The minimum amount of time the investor must remain invested in the Fund before being able to withdraw their investment, subject to available liquidity, being 3 years from the date Investors are first issued units in the Fund.
<b>Offer</b>	The offer under this IM to acquire Units.
<b>Target Return</b>	<p>The target return payable to investors, being approximately 11.1% per annum over a 5 year time frame (pre-tax, after fees and expenses but before withholding tax payable by foreign resident Unitholders).</p> <p>This is a target return only and is not a forecast or a guaranteed return.</p>
<b>Trustee</b>	Vasco Investment Managers Limited ACN 138 715 009, holder of AFS licence number 344486.
<b>Unit</b>	A unit in the Fund.
<b>Withdrawal Request</b>	A withdrawal request by an Investor to withdraw from the Fund.

# 10. APPLICATION FOR UNITS

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## 10.1 APPLICATIONS FOR UNITS

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

A completed and lodged Application should be returned to the Fund Administrator at the address shown on the Application. This will constitute a binding and irrevocable application for the number of units noted below and 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.

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

## 10.2 UNIT ALLOTMENT

Applications will be processed and units issued on a first-come, first-served basis.

Early lodgement of applications is recommended as the Fund may be closed early if the target fund size is reached at the discretion of the Trustee.

An application for units constitutes an offer by the applicant to subscribe for units on the terms and subject to the conditions set out in this IM. Where the number of units allotted is less than the number of units applied for or where no allotment is made, the surplus application monies will be returned to the applicant within 14 days of the relevant closing date or otherwise as soon as practicable. Interest will not be paid on refunded application monies.

Any interest earned on application monies will be retained by the Trustee and will not form part of the Fund’s assets.



## 10.3 MINIMUM INVESTMENT AMOUNT

The Minimum Investment Amount is \$200,000. The minimum additional investment amount is \$10,000. Both of these amounts are subject to the Trustee's absolute discretion to accept applications for lesser or greater amounts.

## 10.4 QUALIFYING INVESTORS

The Offer is only available to Qualifying Investors, meaning an Investor who:

- invests \$500,000 or more in the Fund;
- or, if investing between \$200,000 and \$499,999.99:
  - provides a certificate from a qualified accountant (substantially in a form provided by and available from the Trustee) that states that the Investor has net assets of at least \$2.5 million or has a gross income for each of the last two financial years of at least \$250,000; or
  - is a professional investor (including the holder of an Australian financial services licence, a person who controls more than \$10 million or a person that is a listed entity or a related body corporate of a listed entity).

However, the Trustee has the discretion to accept applications from people who are not Qualifying Investors, provided these people are otherwise permitted by law to participate in the Offer.

By lodging an application for units in respect of the Offer contained in this IM, the prospective Investor declares and warrants to the Fund that they are and will remain a wholesale client as defined in the Corporations Act or are otherwise permitted by law to participate in the Offer.



# APPLICATION FORM

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Use this application form if you wish to invest in:

## DOVETAIL DEVELOPMENTS 111 LEGACY FUND

The Fund's Information Memorandum (IM) dated 21 March 2018 includes information about purchasing units in the Fund. Any person who gives another person access to the application form must also give the person access to the IM and any incorporated information. You should read the IM and any incorporated information before completing this application form. The trustee of the Fund is Vasco Investment Managers Limited (Vasco) ABN 71 138 715 009, AFSL 344486. Vasco or a financial adviser who has provided an electronic copy of the IM and any incorporated information, will send you a paper copy of the IM and any incorporated information and application form free of charge if you so request.

## CUSTOMER IDENTIFICATION

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

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

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

## IMPORTANT INFORMATION FOR FINANCIAL ADVISERS

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

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

- you agree to identify and verify all new investors, using this Customer Identification Form or the industry standard FSC/FPA Identification Form for identifying new investors
- you agree to retain a copy of the completed forms and all identification documents received from the investor in the investor's file for seven (7) years after the end of your relationship with the investor

- you agree to advise Vasco in writing when your relationship with the investor is terminated and agree to promptly provide Vasco all identification documents and/or the record of identification received from the investor at this time, or as otherwise requested from Vasco, from time to time.

## CONTACT DETAILS

Mail your completed application form and identity verification documents to:

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

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

## CHECKLIST

Before sending us your application please ensure you have:

- ☐ completed this form in full;
- ☐ for new investments, completed the relevant 'Identity Verification Form' available on our website [www.vascofm.com](http://www.vascofm.com);
- ☐ if paying via direct debit, completed section 10 ensuring ALL bank account signatories have signed;
- ☐ if paying via cheque, ensure cheque is made payable to 'Vasco Investment Managers Limited ATF Dovetail Developments 111 Legacy Fund'
- ☐ and attach it to this application form; and
- ☐ read the declaration and provided all relevant signatures.

# APPLICATION FORM



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

## 1. Investment details

Is this a new investment or an additional investment?

- [illegible]

## 2. Investor type

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

### 3. Investor name

### 3A. Individual investor/joint investors/sole trader

[illegible][illegible]

## 3B. Super fund/Trust/Australian company/other

[illegible]

### 3C. 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 3A and 3B. Vasco is not bound to take any notice of any interest of any person listed in 3C.

## 4. Contact details

This is the address where all correspondence will be sent.

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

## 5. 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).

### 5a. Individual investor or entity

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

### 5b. Investor 2 (joint investors)

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

### 5c. Non-residents

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

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

## 6. 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 ATF Dovetail Developments 111 Legacy Fund'.

Fund name	Initial investment
Dovetail Developments 111 Legacy Fund	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> <input type="text"/>

The minimum initial investment is \$200,000.

**Cheque Instructions:** Cheques or drafts must be made payable to Vasco Investment Managers Limited ATF Dovetail Developments 111 Legacy Fund. Only cheques or drafts in Australian currency and drawn on an Australian bank will be accepted. Your cheque(s) should be crossed NOT NEGOTIABLE. Mail or deliver your completed Application Form with your cheque(s) to:

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

### Direct Credit / EFT Instructions

Alternatively you can direct credit your application funds to:

Name: Vasco Investment Managers

BSB: 182512

Account #: 966105710

Please note the applicants name when transferring the funds.



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

- ## 8. Annual report

- ☐ A copy of the annual report for the Fund will be provided on the Vasco website [www.vascofm.com](http://www.vascofm.com). Please cross (X) this box if you wish to receive a paper copy of the annual report(s) for the Fund. If you choose to have an annual report mailed to you, it will be mailed to the address provided in section 4 or your current address on file for existing investors. For additional investments, a nomination in this section overrides any previous nominations.

In order to participate in the Offer you must be an Eligible Investor. Please complete this section so that the Trustee can determine whether you are eligible to participate in the Offer.

Each Applicant must mark the box (X) which best describes the category of investor they are.

Applicant 1	Applicant 2 (if joint application)
1. Name	
2. Address	
3. Telephone	
4. E-mail	
5. Date of birth	
6. Nationality	
7. Date of issue of passport	
8. Date of expiry of passport	
9. Date of issue of visa	
10. Date of expiry of visa	
11. Date of issue of residence permit	
12. Date of expiry of residence permit	
13. Date of issue of passport	
14. Date of expiry of passport	
15. Date of issue of visa	
16. Date of expiry of visa	
17. Date of issue of residence permit	
18. Date of expiry of residence permit	
19. Date of issue of passport	
20. Date of expiry of passport	
21. Date of issue of visa	
22. Date of expiry of visa	
23. Date of issue of residence permit	
24. Date of expiry of residence permit	
25. Date of issue of passport	
26. Date of expiry of passport	
27. Date of issue of visa	
28. Date of expiry of visa	
29. Date of issue of residence permit	
30. Date of expiry of residence permit	
31. Date of issue of passport	
32. Date of expiry of passport	
33. Date of issue of visa	
34. Date of expiry of visa	
35. Date of issue of residence permit	
36. Date of expiry of residence permit	
37. Date of issue of passport	
38. Date of expiry of passport	
39. Date of issue of visa	
40. Date of expiry of visa	
41. Date of issue of residence permit	
42. Date of expiry of residence permit	
43. Date of issue of passport	
44. Date of expiry of passport	
45. Date of issue of visa	
46. Date of expiry of visa	
47. Date of issue of residence permit	
48. Date of expiry of residence permit	
49. Date of issue of passport	
50. Date of expiry of passport	
51. Date of issue of visa	
52. Date of expiry of visa	
53. Date of issue of residence permit	
54. Date of expiry of residence permit	
55. Date of issue of passport	
56. Date of expiry of passport	
57. Date of issue of visa	
58. Date of expiry of visa	
59. Date of issue of residence permit	
60. Date of expiry of residence permit	
61. Date of issue of passport	
62. Date of expiry of passport	
63. Date of issue of visa	
64. Date of expiry of visa	
65. Date of issue of residence permit	
66. Date of expiry of residence permit	
67. Date of issue of passport	
68. Date of expiry of passport	
69. Date of issue of visa	
70. Date of expiry of visa	
71. Date of issue of residence permit	
72. Date of expiry of residence permit	
73. Date of issue of passport	
74. Date of expiry of passport	
75. Date of issue of visa	
76. Date of expiry of visa	
77. Date of issue of residence permit	
78. Date of expiry of residence permit	
79. Date of issue of passport	
80. Date of expiry of passport	
81. Date of issue of visa	
82. Date of expiry of visa	
83. Date of issue of residence permit	
84. Date of expiry of residence permit	
85. Date of issue of passport	
86. Date of expiry of passport	
87. Date of issue of visa	
88. Date of expiry of visa	
89. Date of issue of residence permit	
90. Date of expiry of residence permit	
91. Date of issue of passport	
92. Date of expiry of passport	
93. Date of issue of visa	
94. Date of expiry of visa	
95. Date of issue of residence permit	
96. Date of expiry of residence permit	
97. Date of issue of passport	
98. Date of expiry of passport	
99. Date of issue of visa	
100. Date of expiry of visa	
101. Date of issue of residence permit	
102. Date of expiry of residence permit	
103. Date of issue of passport	
104. Date of expiry of passport	
105. Date of issue of visa	
106. Date of expiry of visa	
107. Date of issue of residence permit	
108. Date of expiry of residence permit	
109. Date of issue of passport	
110. Date of expiry of passport	
111. Date of issue of visa	
112. Date of expiry of visa	
113. Date of issue of residence permit	
114. Date of expiry of residence permit	
115. Date of issue of passport	
116. Date of expiry of passport	
117. Date of issue of visa	
118. Date of expiry of visa	
119. Date of issue of residence permit	
120. Date of expiry of residence permit	
121. Date of issue of passport	
122. Date of expiry of passport	
123. Date of issue of visa	
124. Date of expiry of visa	
125. Date of issue of residence permit	
126. Date of expiry of residence permit	
127. Date of issue of passport	
128. Date of expiry of passport	
129. Date of issue of visa	
130. Date of expiry of visa	
131. Date of issue of residence permit	
132. Date of expiry of residence permit	
133. Date of issue of passport	
134. Date of expiry of passport	
135. Date of issue of visa	
136. Date of expiry of visa	
137. Date of issue of residence permit	
138. Date of expiry of residence permit	
139. Date of issue of passport	
140. Date of expiry of passport	
141. Date of issue of visa	
142. Date of expiry of visa	
143. Date of issue of residence permit	
144. Date of expiry of residence permit	
145. Date of issue of passport	
146. Date of expiry of passport	
147. Date of issue of visa	
148. Date of expiry of visa	
149. Date of issue of residence permit	
150. Date of expiry of residence permit	
151. Date of issue of passport	
152. Date of expiry of passport	
153. Date of issue of visa	

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | I am applying for \$500,000 or more worth of Units.   |
| <input type="checkbox"/> | <input type="checkbox"/> | I have net assets of at least \$2.5 million (please arrange for a Qualified Accountant to complete Part 2 of Section 9 of this Application Form).   |
| <input type="checkbox"/> | <input type="checkbox"/> | I have earned at least \$250,000 per annum for each of the last two financial years (please arrange for a Qualified Accountant to complete Part 2 of Section 9 of this Application Form). |
| <input type="checkbox"/> | <input type="checkbox"/> | I have sufficient experience in investing in securities (please arrange for an AFSL holder to complete Part 3 of Section 9 of this Application Form).                                     |

Applicant 1	Applicant 2 (if joint application)
<p>1. Name of the applicant (in full)</p> <p>2. Address (in full)</p> <p>3. Telephone number</p> <p>4. E-mail address</p> <p>5. Date of birth</p> <p>6. Nationality</p> <p>7. Occupation</p> <p>8. Signature of the applicant</p> <p>9. Date of signature</p>	<p>1. Name of the applicant (in full)</p> <p>2. Address (in full)</p> <p>3. Telephone number</p> <p>4. E-mail address</p> <p>5. Date of birth</p> <p>6. Nationality</p> <p>7. Occupation</p> <p>8. Signature of the applicant</p> <p>9. Date of signature</p>

- [illegible]

Insert full name and address of Qualified Accountant

[illegible]

## 9. Eligible Investor Qualification (continued)

### Declaration by Qualified Accountant

I, the Qualified Accountant named above, certify that the following is true and correct:

- (a) I am a Qualified Accountant\*;
- (b) this certificate is given at the request of the Applicant described above in relation to the Units in the Fund to be issued by the Trustee; and
- (c) please indicate which option below applies by marking the relevant box for each Applicant:

#### Option 1

Applicant 1      Applicant 2  
(if joint  
application)

The Applicant is known to me and for the purposes of section 761G (7)(c) of the Corporations Act, the Applicant either personally or in conjunction with a company or trust controlled by the Applicant, has:

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | net assets of at least \$2.5 million; or  |
| <input type="checkbox"/> | <input type="checkbox"/> | a gross income for each of the last two financial years of at least \$250,000 a year. |

#### Option 2

Applicant 1      Applicant 2  
(if joint  
application)

The Applicant is a company or trust controlled by a person known to me for the purposes of section 761G (7)(c) Corporations Act, who has:

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | net assets of at least \$2.5 million; or  |
| <input type="checkbox"/> | <input type="checkbox"/> | a gross income for each of the last two financial years of at least \$250,000 a year. |

#### Option 3

Applicant 1      Applicant 2  
(if joint  
application)

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | For the purposes of section 761G(7)(d) of the Corporations Act, the Applicant controls gross assets of at least \$10 million (including any amount held by an associate or under trust that the Applicant manages). |
|--------------------------|--------------------------|---|

Signature of Qualified  
Accountant\*

Date      /   /

### Part 3 - To be completed by the Applicant and an Australian financial services licensee

#### Applicant to sign this acknowledgment

I/We, the Applicant(s) acknowledge that the financial services licensee named below has not given me/us:

- (a) a product disclosure statement as referred to in Part 7.9 of the Corporations Act in relation to the Offer to acquire Units in the Fund; and
- (b) any other document required to be given under Chapter 7 of the Corporations Act if the product were provided to the Applicant as a retail investor; and
- (c) the licensee does not have any other obligation to the Applicant under Chapter 7 of the Corporations Act that the licensee would have if the product were provided to the Applicant as a retail investor.

Signature of Applicant 1

Date      /   /

Signature of Applicant 2

Date      /   /

## Financial services licensee to complete this section

(a) I am satisfied on reasonable grounds that the Applicant(s) have previous experience in investing in financial products that allows them to assess:

- (i) the merits of the Units;
- (ii) the value of the Units;
- (iii) the risks associated with holding the Units;
- (iv) their information needs;
- (v) the adequacy of the information given by the Trustee and me; and

(b) I have given the Applicant(s) a written statement of my reasons for being satisfied on these matters, as required by section 761GA(e) of the Corporations Act.

Print name of person signing

## Branch number (BSB)

Account number

## 57

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

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

I/We also warrant and acknowledge that:

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

Refer to list of signatories on the previous page.

## Investor 1

[illegible]

Investor 2  
(joint investors)

Signature		Date	<input type="text"/>
Surname	<input type="text"/>		
Given name(s)	<input type="text"/>		
Capacity	<input type="checkbox"/> Director <input type="checkbox"/> Company Secretary (company investments only)		
		COMPANY SEAL (if applicable)	

## 12. Adviser use only

Office name	<input type="text"/>
Surname	<input type="text"/>
Given name(s)	<input type="text"/>
Title (Mr/Mrs/Miss/Ms)	<input type="text"/>
Phone (business hours)	<input type="text"/>
Adviser group	<input type="text"/>
Adviser group AFSL	<input type="text"/>
Adviser Signature	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>
Date	<input type="text"/>

ADVISER STAMP

### Important notes

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

### Signatories

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

Type of investor	Names required	Signature required	TFN/ABN to be provided
<b>Individual and/or joint investors</b>	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
<b>Sole trader</b>	i. Full name of sole trader; and ii. Full business name.	Sole trader's	Sole trader's
<b>Australian company</b>	i. Full company name as registered with ASIC; and ii. Name of each director of the company; and iii. Name of each beneficial owner where their holding is 25% or greater.	i. Sole director's; or ii. Two directors'; or iii. One director's and company secretary's	Company's
<b>Trust/Superannuation fund</b> If you are investing on behalf of a superannuation fund, we will assume the superannuation fund to be a complying fund under the Superannuation Industry (Supervision) Act.	i. Full trust/superannuation fund name (e.g. Michael Smith Pty Ltd ATF Michael Smith Pty Ltd Super Fund); and ii. Full name of the trustee(s) in respect of the trust/super fund (either individual(s) or business name). Please note, if any of the trustees are an Australian company, all information in the 'Australian company' section must also be completed; and iii. Names of beneficiaries (if identified in Trust Deed).	Individual trustee(s) 'as trustee for' If any of the trustees are an Australian company, the signatures set out in the 'Australian company' section are also required.	Superannuation fund's or trust's
<b>Account designation</b>	Name of the responsible adult, as the investor.	Adult(s) investing on behalf of the person/minor	Adult(s)
<b>If the investment is being made under Power of Attorney (POA)</b> Please ensure an original certified copy of the POA is attached to the application form. Each page of the POA must be certified.	i. Full name of each investor(s) (as listed in section 3); and ii. Full name of person holding POA (underneath signature).	Person holding Power of Attorney <b>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.</b>	Individual investor's; or each joint investor's



# SCHEDULE - OFFERING LEGENDS

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

## AUSTRALIA

This 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 interests has been made or issued, directly or indirectly, in Australia, other than to prospective Investors who are wholesale clients as defined in section 761G of the Corporations Act in an offer exempt from the disclosure requirements of Part 7.9 of the Corporations Act. Further, the units offered hereby may not be resold in Australia within a period of 12 months after the date of issue otherwise than by means of an offer exempt from the disclosure requirements of Part 7.9 of the Corporations Act.

This 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 the Australian Securities and Investments Commission. 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 interests should read this IM in full before making a decision to acquire any interests. There is no cooling-off regime in Australia that applies in respect of the issue of the interests.

## CHINA

The units are not being offered or sold and may not be offered or sold, directly or indirectly, to the general public in the People's Republic of China ("PRC") (for such purposes, not including the Hong Kong and Macau Special Administrative Region or Taiwan). This 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

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## INVESTMENT MANAGER

### **Dovetail Capital Pty Ltd**

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## TRUSTEE

### **Vasco Investment Managers Limited**

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Telephone: +613 8352 7120  
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## ADMINISTRATION MANAGER

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