

AusFunds Fractional Property Investment Platform Supplementary Product Disclosure Statement



27 June 2019

IMPORTANT INFORMATION

This supplementary product disclosure statement dated 27 June 2019 (**Supplementary PDS**) supplements the Product Disclosure Statement for the AusFunds Fractional Property Investment Platform (**Fund**) dated 26 February 2018 (**PDS**) and issued by Vasco Investment Managers Limited ACN 138 715 009 AFSL 344486.

This Supplementary PDS should be read together and construed together with the PDS.

A number of defined terms are used in this Supplementary PDS, the meaning of these terms is explained in section 16 (Glossary) of the Product Disclosure Statement.

To the extent that there is any inconsistency between any statement contained in this Supplementary PDS and any other statement contained in the PDS or in any information or in any document incorporated by reference into, and forming part of, the Product Disclosure Statement, the statements contained in this Supplementary PDS will prevail.

This Supplementary PDS sets out the following important changes to the Product Disclosure Statement:

1. References to the Financial Services Ombudsman (FOS)

The Australian Financial Complaints Authority (**AFCA**) is a new external dispute resolution (**EDR**) scheme established by the Australian Government to deal with complaints from consumers and small businesses about financial products.

AFCA replaces the three existing EDR schemes including the Financial Ombudsman Service (**FOS**). AFCA began receiving complaints on 1 November 2018.

Accordingly, all references to FOS in the Product Disclosure Statement should now be read as references to AFCA.

Complaints that cannot be resolved internally by the Responsible Entity to the Unitholder's satisfaction can be taken to AFCA. You can contact the AFCA on telephone 1800 931 678 (free call within Australia), by facsimile on (03) 9613 6399 or by writing to Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne, Victoria, 3001.

2. References to AET Corporate Trust Pty Limited

The Fund's Custodian, AET Corporate Trust Pty Limited (**AET**), changed their name in November 2018 to Sargon CT Pty Ltd (**Sargon**). All references to AET should now be read as references to Sargon.

3. References to Vasco Funds Management Pty Limited

The Fund's Administration Manager, Vasco Funds Management Pty Limited, changed their name in June 2019 to Vasco Fund Services Pty Limited. All references to Vasco Funds Management Pty Limited should now be read as references to Vasco Fund Services Pty Limited.

AusFunds Fractional Property
Investment Platform



PRODUCT DISCLOSURE STATEMENT

26 February 2018

Responsible Entity and Issuer:
Vasco Investment Managers Limited
(ACN 138 715 009, AFSL 344486)

Investment Manager:
AusFunds Investment Management
Pty Ltd (ACN 622 998 243)



IMPORTANT INFORMATION

This Product Disclosure Statement is dated 26 February 2018 (**PDS**) and relates to the offer of units (**Units**) in the AusFunds Fractional Property Investment Platform ARSN 623 862 662 (**Platform** or **Fund**).

This PDS is issued by Vasco Investment Managers Limited ACN 138 715 009 AFSL 344486 (**Vasco** or **RE**), in its capacity as responsible entity of the Platform. In this document, the description 'we', 'us' or 'our' refers to Vasco.

The Platform will offer units in the cash class (**Cash Class**) and units in property classes (**Property Class**). The assets and liabilities of each Class will be quarantined from other Classes.

A supplemental product disclosure statement (**SPDS**) will be issued in respect of each Property Class.

The RE has appointed AusFunds Investment Management Pty Ltd (ACN 622 998 243) as the investment manager (**AusFunds** or **Investment Manager**) of the Platform under the Investment Management Agreement.

AusFunds is a corporate authorised representative (Representative No. 001260972) of D H Flinders Pty Limited ACN 141 601 596 AFSL 353001 (**D H Flinders**).

The RE has also appointed Vasco Funds Management Pty Ltd (ACN 610 512 331) as the administration manager (**Administration Manager**) of the Platform under the Administration Agreement.

An investment in the Platform offered under this PDS is not guaranteed by the RE, the Investment Manager or any of their directors, employees, advisors, agents or associates. This means that the performance of the Platform overall or any Class in the Platform, any return of capital or any particular rate of return on your investment is not guaranteed and to the maximum extent permitted by law, they deny any liability for any loss or damage suffered by any person investing on the Platform. An investment in the Platform does not represent a deposit with or a liability of the RE or the Investment Manager.

You should consider this when assessing the suitability of the investment, and particular aspects of risk, including the risk of loss of income and capital invested or delays in repayment. The significant risks associated with investing in the Platform are summarised in section 8.

The forward looking statements included in this PDS involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, RE, the Investment Manager, and their officers, employees, agents or associates. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward looking statements.

The Australian Securities and Investments Commission (**ASIC**) takes no responsibility for the content of this PDS.

This document contains important information but does not take into account your investment objectives, financial situation or particular needs. Before making any decision based upon information contained in this document, you should read it carefully in its entirety and consult with a financial adviser or tax adviser.

This PDS has been prepared to comply with the requirements of the laws of Australia. The distribution of this PDS in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this PDS should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

Vasco has authorised the use of this PDS for investors considering placing an investment through a masterfund, wrap or similar platform product (collectively known and referred to as 'investor directed portfolio service' or 'IDPS' in this document). In this PDS, the operator of that IDPS product will be referred to as your IDPS operator.

In this document Business Day refers to a day on which Australian banks are open for business in Melbourne.

All financial amounts in this PDS are expressed in Australian dollars (A\$, AUD) unless stated otherwise. Fees and charges set out in this PDS, unless otherwise stated, are inclusive of goods and service tax (**GST**) less input tax credits (including approximate reduced input tax credits) that the Platform may be entitled to claim.

The assets depicted in photographs in this PDS are not assets of the Platform unless otherwise stated.

This PDS is available in electronic format, including access via our website www.vascofm.com. If you receive it electronically, please ensure that you have received the entire PDS and Application Form. If you are unsure whether the electronic document you have received is complete, please contact us. A printed copy is available free of charge by contacting the RE (see Corporate directory in section 17).

Information in this PDS is subject to change from time to time. If the change is not materially adverse to investors, the RE may update the PDS by posting a notice on its website at www.vascofm.com. If the change is materially adverse to investors, the RE will replace this PDS or issue a supplemental PDS.

Throughout this PDS, certain defined terms are used. Terms are defined in the Glossary in Section 16.

1. LETTER FROM THE INVESTMENT MANAGER

Dear Investor,

I am pleased to invite you to invest in the AusFunds Fractional Property Investment Platform.

Investment in the Australia property market has proven over the medium to long-term to be a worthwhile and essential asset class to be included in well-balanced investment portfolios.

However, in an ever-changing world, the property sector presents many challenges in successfully identifying, investing and managing investments to optimise returns.

In view of this, the directors of AusFunds have researched and created a low threshold entry Platform for investors wishing to gain exposure to larger-scale opportunities in the property market. The Platform will provide to both small and large investors, the opportunity and choice to spread their investments in a diverse range of Property Classes.

To access the Platform, investors will first apply for Units in the Cash Class. Following a review of the property investment Offers listed on the Platform, investors may choose a specific Property Class and apply to convert their Cash Units into the relevant Property Units.

The Investment Managers' investment strategy is to identify and offer investors income-generating and capital gain potential investment properties located predominantly in Australian capital cities.

Our Investment Committee team of highly-regarded and experienced industry professionals comprises Tony Dixon, Ted Tzovaras, Andrew Chappell, Ivan Wong and myself. Individually the team has 18 to 30 years of property market knowledge and expertise. We will strive to secure quality, innovative and diverse offers for investors to consider in separate Property Classes of the Platform.

The Platform is designed to appeal to medium to long-term investors, seeking exposure to a range of larger scale property investments, not readily available to individual investors on their own. Each Property Class will be part of a registered managed investment scheme and its assets and liabilities will be independent of all other Classes.

As with any investment, there are a number of risks associated with investing in the Platform, and these are outlined for your consideration in Section 8.

I commend the Offer to you and very much look forward to welcoming you as an investor to the AusFunds Fractional Property Investment Platform.

Yours sincerely,



Edgar Hung
Director

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Obtaining other information before making a decision

Visit the Platform's website www.ausfunds.com.au for further information, including:

- new investment opportunities; and
- announcements.

We recommend you obtain and review such information before you invest.

Alternatively, you can contact us on info@ausfunds.com.au or 02 8318 8300 and we will send you the requested information free of charge.

2. A SNAPSHOT OF THE PLATFORM

Key features	Description	Further information
Responsible Entity	Vasco Investment Managers Limited (ACN 138 715 009 AFSL 344486)	Section 5
Investment Manager	AusFunds Investment Management Pty Ltd (ACN 622 998 243)	Section 5
What is the Platform?	<p>The Platform is a registered managed investment scheme which provides a menu of various property investment opportunities. The Platform will offer a Cash Class and multiple Property Classes. The Cash Class will only hold cash, while each Property Class will hold different property assets.</p> <p>Investors initially subscribe for Units in the Cash Class. They can then apply to convert their Units from the Cash Class (Cash Units) to Units in a Property Class (Property Units).</p> <p>A supplemental product disclosure statement (SPDS) will be issued in respect of each Property Class which will set out specific details of the relevant property investment opportunity relating to the specific Property Class.</p>	Section 3
What types of properties will be listed on the Platform?	The Platform will list a range of property investment opportunities (each to be held in its own separate Property Class) which may include residential, commercial, retail, industrial, hotel, serviced apartments and retirement villages.	Section 3
Key Benefits	<ul style="list-style-type: none"> ■ Low entry barrier to invest in Australia property market. ■ Managed by a specialist investment manager. ■ Ability to diversify into a range of property investments through investments in different Property Classes. ■ The potential for capital growth over the medium to long-term. ■ Potential for regular income distributions. ■ Potential for tax deferred income. ■ No stamp duty surcharge for the Platform (provided foreign ownership within threshold tests at class and fund level). ■ No land tax surcharge for non-resident investors (provided foreign ownership within threshold tests at class and fund level). ■ Withholding tax on distributions to certain non-residents of net rent and capital gains can be capped at 15% if the AMIT regime applies to the Platform and Property Classes. 	Section 7
Key Risks	<p>Some of the risks include:</p> <ul style="list-style-type: none"> ■ Illiquidity. ■ Reduction in property values. ■ Limited track record. ■ Tenancy risk. ■ Breach of borrowing conditions. ■ Interest rate risk. ■ Valuation risk. ■ Proposed Property Class may not proceed. 	Section 8

Platform features		
Unit pricing	<p>Cash Units are generally priced on the Business Day prior to which Applications are processed, which are expected to be on a weekly basis.</p> <p>Property Units are priced annually or as otherwise required by the RE based on updated valuations (please refer to relevant SPDS for specific details).</p>	Section 9
Distribution payments	<p>Cash Units will distribute any income on a quarterly basis.</p> <p>Distributions of income for Property Units will be based on the relevant underlying asset. Please refer to the relevant SPDS for details.</p>	Section 9
Withdrawals	<p>Investors can generally withdraw their cash from the Cash Class as at the end of each month subject to providing a Withdrawal Request at least 5 Business Days prior to the end of the month, subject to the Minimum Holding Period.</p> <p>Withdrawals are generally not available from any of the Property Classes. Property Units will generally only be redeemed upon the winding up of the relevant Property Class.</p>	Section 6
Cooling off rights	A 14-day cooling off period is available to retail investors to decide whether to proceed with their investment in the Cash Class under this PDS.	Section 6
Minimum Holding Period	There is a minimum holding period of 6 months during which you cannot withdraw your Cash Units. Investment into a Property Class is allowed at any time including during the Minimum Holding Period.	Section 6

2. A SNAPSHOT OF THE PLATFORM (Cont'd.)

Other Platform information		
Borrowings	Each Class' borrowing is independent of other Classes. There will not be any borrowing in the Cash Class. There may or may not be borrowings in a Property Class (please refer to the relevant SPDS).	Section 4
Property valuations	Property valuations are generally conducted annually by internal valuation and at least once every 3 years by qualified independent valuers.	Section 4
Related party information	The RE and the Investment Manager may enter into related party transactions. However, all transactions, including those with related parties, are conducted on commercial terms and on an arm's length basis unless otherwise disclosed. A related party transaction in respect to a specific Property Class will be disclosed in the relevant SPDS.	Sections 4 and 13

Minimum investment amounts*		
Cash Class Initial investment	\$5,000	Sections 6
Property Class Initial Investment	As disclosed in relevant SPDS	
Additional investment amounts	\$1,000	
Minimum balance in Platform (Units in the Cash Class together with any Units in a Property Class)	\$3,000	

Fees and other costs of the Platform		
RE fees	0.31% per annum of the gross asset value of the Platform with a minimum: – \$44,000 for the first year commencing 17 January 2018, and – \$66,000 in each year thereafter	Section 10
Investment Manager's Management fee	0.31% per annum of the gross asset value of the Cash Class	
Expenses	In addition to the base management fee the RE is entitled to recover all reasonable expenses properly incurred in the performance of its duties. The engagement of third-party service providers such as AusFunds will be an expense of the Platform. Expenses are estimated to be 0.66% p.a. of the gross asset value of the Cash Class.	
Buy/Sell spread	Nil for Cash Class.	Section 10

*These amounts may be changed at the RE's discretion.

3. ABOUT THE PLATFORM

Overview

The Platform provides investors with a low entry barrier into the Australia property market by offering fractional investment opportunities in a range of properties. By investing through the Platform, investors can gain exposure to the property market with a relatively small investment. Investors will also be able to choose the properties in which they wish to gain exposure and diversify their investments over a number of different types of properties by investing across different Property Classes.

How the Platform Works

The Platform consists of 2 types of Classes: a Cash Class and Property Classes.

Investors will need to first apply for Units in the Cash Class. Once they have been issued Cash Units they will be able to review the property investment opportunities listed on the Platform. Each property will be held in its own class of Units for which a SPDS will be issued.

When an investor identifies a Property Class that they want to invest in they will apply to the RE to convert their Cash Units into Property Units in the relevant Property Class.

The assets and liabilities of each Class, including each Property Class are held independently of the assets and liabilities of other Classes and cannot be applied to the assets and liabilities of another Class.

Property selection and listing

The investment strategy of the Investment Manager is to identify investment properties with potential capital appreciation and the ability to generate income.

Properties that will be listed on the Platform will be predominantly situated in capital cities and major regional centres although the Platform may list properties outside of these areas if appropriate.

Property development projects (for the purposes of developing to hold for rental return) may also be considered and offered on the Platform if the investment proposition is sufficiently compelling.

A range of factors will be considered by the Investment Manager in selecting properties to be listed on the Platform including, but not limited to:

- the potential rental yield from developed properties;
- the potential for future capital appreciation of the properties;
- the impact of new competition, changes in local economic conditions and demographic changes;
- the demand from investors; and
- the ease of exiting.

Information on Property Classes

In addition to the general information contained in this PDS, an SPDS will be issued in respect of each Property Class which will contain relevant information for the specific investment opportunity. The SPDS will include information such as:

- the value of the investment;
- the expected return;
- the intended investment period;
- specific benefits; and
- specific risks.

You must read the relevant SPDS before you invest in a Property Class.

Withdrawing from the Platform

While monthly withdrawals from the Cash Class are generally available no withdrawal facility is intended to be provided for any of the Property Classes and Property Units will only be redeemed upon the wind-up of the relevant Property Class.

See Section 6 for more details on the how to withdraw from the Fund.

The typical investment length for a property held in a Property Class will be medium to long term (i.e. 5+ years), however the Manager will retain the discretion to sell earlier or delay the wind-up if it believes it is in the best interest of the Unit Holders in the particular Property Class. The specific details including the expected investment time frame will be included in the relevant SPDS.

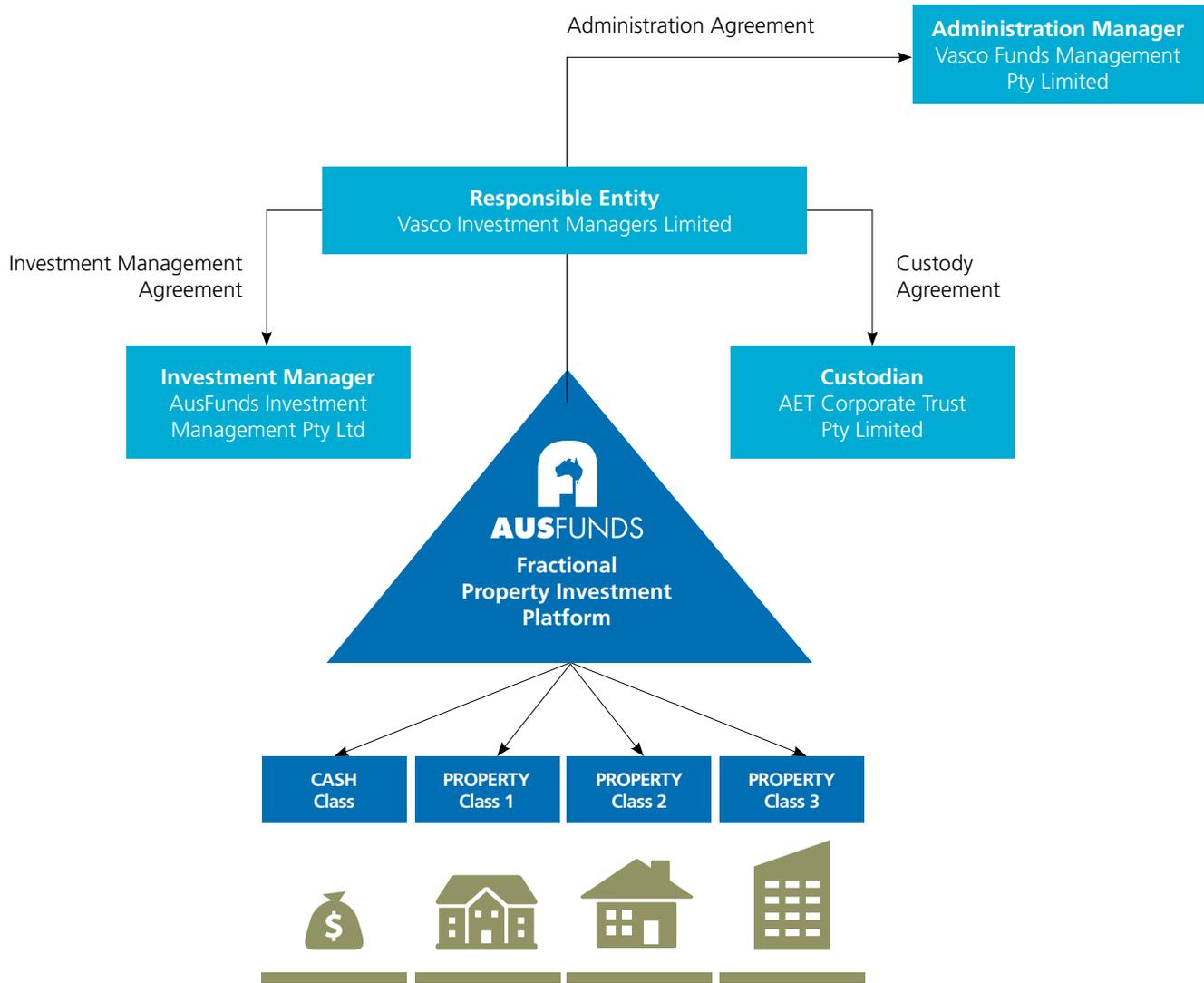
Who should invest in the Platform?

This Platform is suited to investors that:

- want an investment exposure in property and do not want to acquire the entire property;
- are investors who do not want day to day management of properties;
- are looking to diversify their existing investment portfolio;
- are looking to diversify their property exposure across a number of properties;
- want to personally select the properties in which they wish to invest;
- do not want any direct credit risks in relation to borrowing on the properties;
- are self-managed super funds;
- are non-residents of Australia who may benefit from the savings of stamp duty surcharge and land tax surcharges that may be available to the Platform (subject to foreign ownership being within threshold tests at class and fund level);
- are non-residents of Australia that do not want to seek FIRB approval; and
- have at least a five-year investment outlook.

3. ABOUT THE PLATFORM (Cont'd.)

Platform Structure



4. DISCLOSURE PRINCIPLES AND BENCHMARKS

ASIC Regulatory Guide 46 "Unlisted property schemes: Improving disclosure for retail investors" (RG 46) sets out six benchmarks and eight disclosure principles that unlisted property funds, such as the Platform, must address to assist investors analyse and understand the risks associated with investing in these types of funds and decide whether such investments are suitable for them.

Responsible entities of unlisted property funds are required to apply these disclosure benchmarks and principles in their product disclosure statements and in other information they provide to their investors on an ongoing basis (through websites and other forms of communication with investors).

The disclosure principles and benchmarks outlined below will be updated from time to time with updates available on the RE's website at www.vascofm.com or on request.

Benchmark 1 – Gearing policy

Unlisted property schemes tend to use credit facilities to partly finance the purchase of properties. It is important for responsible entities to have policies in place that address the risks associated with these arrangements and to comply with these policies. It is also important for investors in these schemes to understand these policies.

Does the RE maintain and comply with a written policy that governs the level of gearing at an individual credit facility (borrowing facility) level?

Yes – The Platform meets this benchmark.

While there will be no borrowing in the Cash Class, the RE monitors and manages the borrowings in each Property Class at an individual borrowing facility level on an ongoing basis in accordance with its gearing and interest cover policy.

Benchmark 2 – Interest Cover Policy

Another key aspect relating to credit facilities used by unlisted property schemes to finance the purchase of property is interest cover. It is important for responsible entities to have policies in place that address the risks associated with these arrangements and to comply with these policies. It is also important for investors in these schemes to understand these policies.

Does the RE maintain and comply with a written policy that governs the level of interest cover at an individual credit facility level.

Yes – The Platform meets the benchmark.

While there will be no borrowing in the Cash Class the RE maintains a written interest cover policy as well as a Compliance Plan and a Risk Management Framework which require regular reporting on compliance with banking covenants for each facility that may be held by the Platform.

Benchmark 3 – Interest capitalisation

Interest capitalisation means the fund is not required to make interest payments until an agreed point in time. It generally applies in the context of development because the asset may not generate any income during development to meet any interest obligations under finance facilities. If a property cannot be sold for more than the credit facility, the investor will not receive any return as a result of the sale. When a scheme capitalises interest expense, it is important for investors to understand how the scheme will meet its interest obligations when deciding whether to invest in the scheme.

Will the interest expense of the Scheme be capitalised?

The Platform meets this benchmark.

While there will be no borrowing in the Cash Class, even in respect of borrowings in a Property Class, the interest expense of the Platform will not be capitalised.

An exception may be if the Platform establishes a Property Class that will hold a property development asset for the purpose of developing and holding for rental return. It would be expected that the interest expense associated with borrowing for such an investment will be capitalised because that Property Class would not be expected to have any income available at that time to make the interest payments. If this is the case, investors will be informed in the relevant SPDS.

Benchmark 4 – Valuation policy

The value of real property assets can be volatile, particularly when access to credit is constrained and more properties are on the market. A significant fall in valuation will mean an increase in gearing ratio and may trigger a breach of loan covenants.

Investing in a property scheme exposes investors to movements in the value of the scheme's assets. Investors therefore need information to assess the reliability of valuations. The more reliable a valuation, the more likely the asset will return that amount when it is sold.

4. DISCLOSURE PRINCIPLES AND BENCHMARKS (Cont'd.)

Does the RE maintain and comply with a written valuation policy that requires:

- *a valuer to be independent and registered or licensed in the relevant state, territory or overseas jurisdiction in which the property is located (where a registration or licensing regime exists), or otherwise be a member of an appropriate professional body in that jurisdiction; and*
- *there to be procedures to be followed for dealing with any conflicts of interest;*
- *a rotation and diversity of valuers;*
- *valuations to be obtained in accordance with a set timetable; and*
- *for each property, an independent valuation to be obtained before the property is purchased:*
 - *for a development property to be developed for the purpose of holding for rental return, on an 'as is' and 'as if complete' basis; and*
 - *for all other property, on an 'as is' basis; and*
 - *within two months after the directors form a view that there is a likelihood that there has been a material change in the value of the property.*

No – The Platform does not meet this benchmark.

The RE maintains and complies with a written valuation policy for the Platform, which is reviewed at least annually or as market circumstances dictate. This policy is outlined below, and may change from time to time. Any updates to this valuation policy will be provided on the RE's website at www.vascofm.com.

The Responsible Entity endeavours to provide Unit holders with timely and accurate information about the value of the Platform's investments. There are many different methodologies for compiling the likely value of an individual property and no one method can reliably be used to value all properties. In short, one valuation method cannot always cover all neighbourhoods and properties with greater accuracy and consistency than all others.

Different methods may become more or less appropriate from time to time or from property to property as more or less information relevant to that method may be available at different times. In summary, the RE's valuation policy requires that:

- *independent external valuations for new properties must be completed no more than three months prior to exchange of contracts;*
- *independent external valuations for existing properties must generally be conducted at least once every 3 years;*
- *internally valued every other year;*

- *where there are multiple properties in a portfolio, the valuations may be staggered through the year; and*
- *where a property has been contracted for sale, the contracted sale price may be adopted instead of the independent external valuation.*

Additionally, we may test asset values on market if required. For further information or to obtain a copy of the Policy please contact us.

Benchmark 5 – Related party transactions

A conflict of interest may arise when property schemes invest in, or make loans or provide guarantees to, related parties.

Does the RE maintain and comply with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest?

Yes – The Platform meets this benchmark.

The RE maintains a related party transaction policy that provides a framework for the review of the terms of all related party transactions. The policy details the circumstances and conditions as to when related party transactions are permitted and any supporting evidence required in relation to such transactions. The policy requires related party transactions to be in the best interests of investors and on arm's length terms unless otherwise disclosed.

Benchmark 6 – Distribution practices

Some property schemes make distributions partly or wholly from unrealised revaluation gains, capital, borrowings, or support facilities arranged by the responsible entity, rather than solely from cash from operations available for distribution. This may not be commercially sustainable over the longer term, particularly when property values are not increasing.

Will the Platform only pay distributions from its cash from operations (excluding borrowings) available for distribution.

Yes – The Platform meets this benchmark.

Both the Cash Class and any relevant Property Class will only pay distributions from cash from its operations. The likely source of distributable income from the Cash Class will be interest earned on the cash held (after expenses) and in the Property Class it will be from the rental payments (post expenses).

4. DISCLOSURE PRINCIPLES AND BENCHMARKS (Cont'd.)

Disclosure Principle 1 – Gearing ratio

The RE must disclose the level of direct gearing and look-through gearing for the Platform using the following formula:

$$\text{Gearing ratio} = \frac{\text{Total interest bearing liabilities}}{\text{Total assets}}$$

A higher gearing ratio means a higher reliance on external liabilities (primarily borrowings) to fund assets. A highly geared scheme has a lower asset buffer to rely upon in times of financial stress.

The gearing ratio represents the percentage of debt compared to the gross assets of the Platform. As such it indicates the extent to which the Platform's assets are funded by interest-bearing liabilities. There would be no recourse to investors on any of the Platform's borrowings.

Gearing is utilised to enhance investment returns for investors. However, the presence of debt financing would expose the Platform to refinancing and interest rate risks. That is, there would be a risk that the terms of the current debt facility may not be available on extension or refinancing. There would be also a risk that interest rates might rise, increasing the expenses of the Fund.

Importantly, gearing also magnifies the impact of any upward or downward movements in the value of the underlying asset. The greater the level of gearing, the greater the upward or downward magnification.

As at the date of this PDS the Platform has no borrowings.

Any borrowings in the future will not be to the Platform but only to a specific Property Class. Details of any Property Class borrowings including the gearing ratio will be disclosed in the relevant SPDS relating to the Property Class.

Disclosure Principle 2 – Interest cover ratio

The interest cover ratio gives an indication of an unlisted Platform's ability to meet the interest payments from earnings. The Platform's forecast interest cover ratio (ICR) is calculated by using the following formula:

$$\text{Interest cover ratio (ICR)} = \frac{\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses}}{\text{Interest expense}}$$

The ICR is an important indication of financial health and key to analysing the sustainability and risks associated with the Platform's level of borrowing.

The Platform's interest cover ratio is the amount of earnings to service every \$1.00 of interest on debt.

The RE maintains a written Interest Cover Policy as well as a Compliance Plan and a Risk Management Framework which requires regular reporting on compliance with banking covenants for each facility that may be held by the Class.

As at the date of this PDS the Platform has no borrowings. Any borrowings in the future will not be to the Platform but only to a specific Property Class. Details of any Property Class borrowings including the ICR will be disclosed in the relevant SPDS for the Property Class.

Disclosure Principle 3 – Scheme borrowing

If a scheme has borrowed funds (whether on or off balance sheet), responsible entities should clearly and prominently disclose the nature of those borrowings.

Borrowing maturity and credit facility expiry profiles are important information if an unlisted property scheme borrows to invest. Credit facilities that are due to expire within a relatively short timeframe can be a significant risk factor, especially in periods when credit is more difficult and expensive to obtain. A failure to renew borrowing or credit facilities can adversely affect a scheme's viability.

As at the date of this PDS no Class within the Platform has any borrowings.

Any borrowings in the future will not be to the Platform as a whole but only to a specific Property Class. Details of any Property Class borrowings will be disclosed in the relevant Property Class SPDS.

The Investment Manager's general approach is to actively manage the Property Classes borrowings in conjunction with the lender(s) to manage this risk as all amounts owed to lenders and to other creditors will rank before each investor's interest in the Property Class.

Disclosure Principle 4 – Portfolio diversification

The RE should disclose the current composition of the property scheme's direct property investment portfolio.

Generally, the more diversified a portfolio, the lower the risk that an adverse event affecting one property or one lease will put the overall portfolio at risk. It is important that responsible entities disclose their approach to portfolio diversification in their PDSs and ongoing disclosure.

The RE does not manage portfolio diversification.

The Platform will consist of a number of Property Classes. Each Property Class invests in one (or more) property asset(s). Each Property Class may hold a property from a different property sectors (e.g. residential, commercial, retail, industrial etc) and/or geographical location. There may also be Property Class investing in the development stage of a property where the developed property will be held for rental return.

It is up to the investors to diversify their investments by employing strategies such as investing into different Property Classes under the Platform.

4. DISCLOSURE PRINCIPLES AND BENCHMARKS (Cont'd.)

Disclosure Principle 5 – Related party transactions

Responsible entities that enter into transactions with related parties should describe related party arrangements relevant to the investment decision.

Related party transactions carry a risk that they could be assessed and monitored less rigorously than arm's length third party transactions. Investors should therefore be able to assess whether responsible entities take an appropriate approach to related party transactions. A significant number and value of such transactions may mean that investors should consider the financial position of the related group as a whole and the risk of potential conflicts of interest.

Policies and procedures are in place to mitigate the risk of any actual or perceived conflict of interest, including as a result of a related party transaction.

The RE and the Investment Manager may enter into related party transactions from time to time.

The Investment Manager and its subsidiaries (related parties) may invest in the Platform and the Platform may invest in related parties from time to time. Further, the RE and/or the Investment Manager may appoint related parties or source providers to undertake functions for the Platform from time to time including for example the role of property manager.

The Administrator is a related party of the RE and has been engaged on arms' length terms.

Disclosure Principle 6 – Distribution practices

If a scheme is making or forecasts making distributions to members, the responsible entity should disclose the nature and source of the distributions.

Distributions are intended to be made to Unit Holders in the Cash Class as well as Property Classes (from interest earned and rental payments respectively).

All distributions will be sourced from cash from operations available for distribution and will not be sourced from borrowings or unrealised capital gains.

Details of any forecast distributions in respect of a Property Class will be disclosed in the relevant SPDS.

Disclosure Principle 7 – Withdrawal arrangements

It is important for responsible entities to make investors aware of withdrawal arrangements so that investors form realistic expectations about their ability to withdraw from the scheme. If investors are given the right to withdraw from a scheme, the responsible entity should clearly disclose the nature of those rights.

Investors will generally have the right to withdraw from the Cash Class on the first Business day of each month (after the Minimum Holding Period), subject to submitting a written Withdrawal Request to the RE at least 5 Business Days prior to the end of the previous month.

However, the RE has discretion to suspend withdrawals from the Cash Class if it reasonably determines that it is in the best interest of investors as a whole to do so.

The minimum amount of withdrawal from the Cash Class is \$1,000. The Constitution of the Platform provides that withdrawal proceeds can be paid up to 21 days from when the withdrawal is accepted.

If the withdrawal from Cash Class is such that the investor's total investment in the Platform will be lower than the minimum investment, the withdrawal may be disallowed or the investor's total investment may be redeemed.

Investors in all the Property Classes will only be able to withdraw if the RE makes a withdrawal offer. The RE has no obligation to make a withdrawal offer.

Disclosure Principle 8 – Net tangible assets

The responsible entity of a closed-end scheme should clearly disclose the value of the net tangible assets (NTA) of the scheme on a per unit basis in pre-tax dollars.

NTA = $\frac{\text{Net assets} - \text{intangible assets} \pm \text{any other adjustments}}{\text{Number of units in the scheme on issue}}$

The NTA in the Cash Class will be calculated through adding the total value of the assets in the Cash Class (i.e. the cash held) and adjusting it for any liabilities (for example accrued but unpaid distributions) and dividing it by the total number of Units in the Cash Class.

The NTA for the Cash Class will be published on the Platform's Website and updated every week if required however it is expected to always remain at \$1.00.

The NTA in a Property Class is calculated by reference to the annual valuation of the property asset held less any liabilities (e.g. loans and outstanding expenses) related to the Property Class divided by the number of Units on issue in that Property Class.

The Property Class will not hold any tangible assets other than money held in a deposit account and the relevant property asset.

The initial NTA of each Property Class will be set out in that Property Class's SPDS.

The NTA for each Property Class will then be published on the Platform's Website and updated every 12 months.

5. MANAGING YOUR INVESTMENT

Responsible Entity – Vasco Investment Managers Limited

Vasco Investment Managers Limited (**RE** or **Vasco**) and Vasco Funds Management Pty Ltd (ACN 610 512 331) (**Administration Manager**) are part of a professional investment management group that provides responsible entity, trustee and fund administration 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 \$1.5 billion Australian Unity Healthcare Property Trust ARSN 092 755 318 and the \$1.5 billion AIMS AMP Capital Industrial REIT listed on the Singapore Securities Exchange.

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

Clients of Vasco have included Golden Age Development Group, Lauders Development Group, China Asset Management (HK), Cyan SIV Emerging Companies Fund, Infrastructure Partners Investment Fund, Vital Healthcare Property Fund, EMR Capital Pty Ltd, Phillip Asset Management Limited and Morgan Stanley Real Estate.

As the responsible entity, Vasco will operate the Platform 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 Platform.

The responsibilities of Vasco include ensuring that the Platform's assets are managed pursuant to the Constitution and the provisions of the Corporations Act.

Vasco has the power to delegate certain of its duties pursuant to the Constitution and the Corporations Act.

Vasco has appointed AusFunds as the Investment Manager of the Platform (see description below).

Vasco has also appointed Vasco Funds Management Pty Ltd as the Administration Manager of the Platform. The Administration Manager will be responsible for the provision of administration services to the Platform, including processing applications, fund accounting and unit registry maintenance.

Investment Manager – AusFunds Investment Management Pty Ltd

AusFunds is the investment manager for the Platform.

AusFunds is a careful, sensible and successful property manager who considers their property team is one of the most experienced in the Australian market.

Personnel in AusFunds have a long and successful track record in managing residential and commercial properties and understand the markets and environments they operate in.

The key people within AusFunds are:

Edgar Hung



Edgar has over 25 years' experience in the property development and investment industry in Australia. Being the Chief Executive Officer of the Austcorp Property Group, Edgar has led the team to complete numerous mid to large scale land subdivision, commercial and residential development projects in QLD, NSW, VIC and NT. Edgar also possesses solid funds management experience.

He was the Managing Director and Responsible Manager of Austcorp Funds Management Ltd, also Non-Executive Director of Austock Funds Management Limited.

Ivan Wong



Ivan has over 25 years' experience in the finance, real estate and financial services industry in Australia. He is the Managing Director of the Great Pacific Financial Group. Under the Group there were finance, real property, securities and technology divisions. Ivan is currently the Responsible Manager of Great Pacific Finance Pty Ltd - a Credit Licensee and the licensee in charge of Great Pacific Realty

– a Real Estate Agent Licensee. Ivan had been an Executive Director of Great Pacific Securities with around 50 Authorised Representatives at its peak. Ivan had been an Executive Director of Universal Title Searchers – an accredited information broker of a number of government departments including ASIC, Land Title Offices of NSW, VIC and QLD, Department of Fair Trading, Office of State Revenue and Sydney Water. Ivan's funds management experience includes working at Growth Equities Corporation Ltd, where he deals with the custodian on a few Exchange Traded Funds (ETFs). Ivan also has good exposure to the mining industry in Australia. He is currently a Non-Executive Director of Aeon Metals Limited – an ASX listed company.

AusFunds duties include sourcing investment opportunities for the Platform, performing due-diligence on target properties, arranging and negotiating finance and promoting the Platform to investors.

5. MANAGING YOUR INVESTMENT (Cont'd.)

AusFunds' investment philosophy

AusFunds will make selective properties available on the Platform for investment based on AusFunds' assessment of value, taking into account the risks inherent in the property, and the ability for these risks to be mitigated by experienced management. In particular, AusFunds will consider:

- location attributes, such as demographic profile, road and services infrastructure and the level of competition; and
- property specific criteria, such as the quality of buildings, tenant and lease profile, opportunities to enhance or redevelop the property to protect and/or grow future income potential and capital value.

AusFunds believes active management of property assets is essential in optimising a return on investment.

Custodian

The RE has appointed an independent custodian to hold the assets of the Platform.

AET Corporate Trust Pty Limited (**Custodian**) and its related entities are one of Australia's largest and oldest licensed trustee companies. The Custodian has been providing custody and trustee services for over 130 years, having been established in 1880. The Custodian is a member of the IOOF Holdings Limited (**IOOF**) Group, a leading provider of wealth management products and services in Australia. IOOF is an ASX200 listed company.

The RE has appointed the Custodian under a Custodian Agreement. The Custodian's role is to hold the assets in its name and act on the direction of the RE to effect cash and investment transactions.

The Custodian has no supervisory role in relation to the operation of the Platform and has no liability or responsibility to a unit holder for any act done or omission made in accordance with the Custodian Agreement.

The Custodian's role as custodian is limited to holding the assets of the Fund.

To the maximum extent permitted by law, the Custodian expressly disclaims and takes no responsibility for any part of this PDS other than the references to its name. The Custodian does not guarantee the repayment of capital or any particular rate of capital or income return.

The Custodian has not withdrawn its consent to be named in this PDS as custodian of the Platform in the form and context in which it is named. The Custodian does not make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by the Custodian.

6. MAKING INVESTMENT AND WITHDRAWALS

Investing

This table explains how to make an investment in the Platform. The Application Form can be found at the back of this PDS. For further information in respect of a particular Property Class please refer to the relevant SPDS.

	What you need to send us	Minimum ¹	Cut off times	Important information
Cash Class Initial investment	A completed Application Form and A cheque or EFT payment.	\$5,000	Applications are processed on a weekly basis, on the last Business Day of each week. The Application Form and payment must be received by the RE at its Melbourne office by close of business of the Business Day prior to the last Business Day of the week.	Review your Application Form before you sign it, as incomplete applications will not be accepted. Outside of the cooling off period there is a minimum holding period of 6 months during which you cannot withdraw your Cash Units (Minimum Holding Period) Investment into a Property Class is allowed at any time including during the Minimum Holding Period.
Additional investment(s)	A cheque or EFT payment.	\$1,000	Additional investments are processed on the last Business Day of each week. The Application Form and payment must be received by the RE at its Melbourne office by close of business of the Business Day prior to the last Business Day of the Week.	Investors will be sent confirmation of the issuance of their units (or additional units) within 5 Business Days of the processing date.
Converting Cash Units to Property Units	A completed Conversion Form.	See the relevant SPDS	See the relevant SPDS	See the relevant SPDS
Withdrawing from Cash Class	A Withdrawal Request.	\$1,000	Withdrawals are processed as at the first Business day of each month, subject to the Minimum Holding Period. The Withdrawal Request must be received by the RE at least 5 Business Days prior to of the end of the month.	Money will be transferred to your Bank Account via EFT generally within 5 Business Days of the processing date.
Withdrawing from a Property Class	N/A	N/A	N/A	All Property Classes will be illiquid and any withdrawal can only be made pursuant to a withdrawal offer in compliance with the Corporations Act. The RE is under no obligation to make withdrawal offers and has no intention of making any withdrawal offers. Property Units will generally only be redeemed when the RE winds-up the relevant Property Class.

6. MAKING INVESTMENT AND WITHDRAWALS (Cont'd.)

Handling of applications

Pending the issue of Cash Units to an investor, the application money will be held in a trust account that complies with the Corporations Act.

No interest will be paid to the investor on applications for the period from receipt until the issue of Cash Units occurs. Similarly, no interest will be paid to any investor whose application (or part of an application) is returned unfilled. Any interest earned on the application amount will be paid to the RE.

The RE may, in its absolute discretion, reject in whole or in part any application. The RE need not give any reason for rejection.

Suspension of further applications

In exceptional circumstances, where it is considered to be in the best interest of investors, the processing of all applications may be suspended. If this occurs, your application request will be processed using the next available date where Units are issued.

Changing your mind

A 14-day cooling off period is available to investors to decide whether to proceed with their investment under this PDS. The cooling off period starts on the earlier of:

- the date you receive your initial investment transaction statement; or
- five business days after your units are issued.

Therefore, if you wish to cancel your investment, it is important that you write to us before the expiration of this period.

The cooling off rights (if relevant) will only apply to an investment in the Cash Class and will not apply when the Cash Units are converted to Property Units.

The amount repaid to you is adjusted to reflect any increase/decrease in the value of the investment due to market movement. We will also deduct any taxes or duties payable and transaction costs. As a result, the amount returned to you may be less than your original investment.

If you are a 'sophisticated' or 'professional' investor or otherwise a 'wholesale client' (as defined in the Corporations Act 2001) the cooling off period is not available to you.

If you are investing through a masterfund or IDPS, you should consult the operator in relation to cooling off rights that may apply to your investment in the masterfund or IDPS (if any).

Investing through a masterfund or Investor Directed Portfolio Service ('IDPS')

If you are investing into the Platform through a masterfund or IDPS (or 'wrap platform') in most cases you do not yourself become an investor in the Platform. Instead, as the masterfund/IDPS operator is investing on your behalf, it acquires the rights of an investor and certain features of the Platform may not apply to your investment. Examples are minimums for investments and withdrawals, processing times and, importantly, the cooling off rights (refer to 'Changing your mind'). You should ensure that you receive full details of these.

Further, some provisions of the Platform's Constitution will not be directly relevant to you. For example, you will generally not be able to attend meetings, or withdraw investments directly. You will receive reports from the masterfund/IDPS operator, not us. Enquiries about the Platform should be directed to your masterfund/IDPS operator.

In the case for an investment made through a masterfund/IDPS operator the terms and conditions you have agreed with the masterfund/IDPS operator will determine your rights with respect to that masterfund/IDPS operator.

The operator can exercise (or decline to exercise) those rights in accordance with the arrangements governing the operation of the masterfund/IDPS.

We do not keep personal information about indirect investors.

7. BENEFITS

- Low entry barrier to invest in Australia property market.
- Managed by a specialist investment manager.
- Ability to diversify into a range of property investments, through investment in different Property Classes.
- The potential for capital growth over the medium to long-term.
- Potential for regular income distributions.
- Potential for tax deferred income.
- No stamp duty surcharge for the Platform (provided foreign ownership within threshold tests at Class and Platform level).
- No land tax surcharge for non-resident investors (if taxing at Class level and property can fall within tax-free thresholds and provided foreign ownership within threshold tests at class and Platform level)
- Withholding tax on distributions to non-residents of net rent and capital gains can be capped at 15% if the AMIT regime applies to the Platform and Property Classes.

8. RISKS

What is risk?

'Risk' generally refers to the variability or volatility of an investment return and the likelihood of incurring a loss on your investment. You should consider the likely investment return, the risk associated with the Platform and your investment timeframe when choosing to invest in the Platform and in the various Classes.

All investments come with a degree of risk and different strategies carry different levels of risk, depending on the assets that make up the strategy. You will need to determine how much risk you are able, or willing, to tolerate as the level of risk for each person will vary depending upon a range of factors, including age, investment time frames, your overall investment portfolio, and your individual risk tolerance.

The main risks of investing include a decrease in the value of your investment, a fluctuation or a decrease in the amount of income generated from the investment, or a lower than expected rate of return.

These risks can arise from various circumstances, including:

- changes to law or government policies relating to tax, stamp duty, stamp duty surcharge or economics that may have adverse impacts on investment markets or the tax treatment of trusts or investment returns; and
- changes to social, economic (e.g. inflation and interest rates), political, commercial and technological environments, or to market sentiment, that may make certain investments less attractive

It is commonly accepted that there is a relationship between the level of return generated by an investment and its level of risk. The spectrum below shows the four main types of investments according to their relationship between risk and return for you to consider.



If the security of your money is your highest concern when selecting investments, you should choose an investment with lower risk, bearing in mind that your return may be lower in the long-term. Conversely, if your focus is towards achieving higher returns, you will need to be comfortable with the fluctuations in the value of your investment before selecting an investment with higher risk.

How we manage risk?

The Investment Manager is unable to eliminate all investment risks, but has committed to reduce the impact of risks through the use of carefully considered investment guidelines. Further, the Investment Manager intends on providing investors with the opportunity to invest in a diverse range of property assets through the Platform in order to reduce the reliance upon the performance of any single asset. If one asset is performing poorly, another in a different Property Class may still perform well.

How you can manage your risk

In managing your risk, we recommend that you:

- seek your own professional advice to help you understand how your current financial situation and your investment objectives affect the selection of investments that you can make;
- consider your investment timeframe, your investment objectives and your risk tolerance; and
- diversify your investments to help reduce risk and the volatility of investment returns.

General risk relevant to all Classes

Limited operating history risk

The Platform is a newly formed managed investment scheme with no operating history upon which investors can evaluate its likely return. There can be no assurance the Platform will achieve any of an investor's investment objectives.

Legal and Regulatory risk

There is a risk that domestic or international laws or regulations may change, adversely impacting the regulation of the Platform and resulting in additional costs and/or less rigorous regulatory supervision of transactions and the reporting that is performed.

Legal risk also includes the risk of losses occurring as a result of legal issues, principally losses arising out of the non-enforceability or non-enforcement of contracts. Non-enforcement may arise from insufficient documentation, insufficient capacity or authority of a counterparty, uncertain legality or unenforceability resulting from bankruptcy or insolvency.

8. RISKS (Cont'd.)

Fees and expenses risk

The Platform will incur fees and expenses regardless of whether it is successful. The Platform will pay investment management fees, RE fees, custodian fees, administration fees and other expenses whether or not it receives its returns.

In addition, the Platform will also be required to pay investment management fees, RE fees, custodian fees, administration fees and other expenses whether the funds raised are fully utilised or not. The Platform must therefore ensure that sufficient liquidity is maintained in order to meet these and other expenses.

The RE and the Investment Manager expect to incur significant costs and expenses in seeking to source, evaluate, structure, negotiate, close, monitor and exit an investment including, but not limited to, financial, legal, technical, regulatory, commercial advisers, engaged to assist the RE and the Investment Manager in seeking to source, evaluate, structure, negotiate, close, monitor and exit the investment. There can be no assurance that the Platform 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 Investors might otherwise realise.

Risk relevant to the Cash Class

Interest Rate risk

Interest rates fluctuate from time to time, depending on a range of circumstances wholly outside the control of AusFunds and the Platform. Changes in interest rates may have a negative impact, either directly or indirectly, on investment returns.

Risks relevant to the Property Classes

The value of property assets is closely linked to rental income, occupancy levels, tenant quality, lease terms, location and supply and demand factors, and may also be impacted by environmental risks (such as land contamination or the cost of removing potentially hazardous materials). Property development assets have additional risks associated with them.

Changes to any of these elements will affect the value of the underlying property and ultimately the value of your investment.

The specific risks in respect of a specific Property Class will be disclosed in the relevant SPDS.

Changing economic conditions risk

A downturn in the economy may affect the value or performance of a property held by a Property Class.

Tenancy risk

The business conditions for tenants may change adversely, which may result in tenants seeking rental assistance, defaulting on rental payments, abandoning leases, or not renewing leases on expiry. A reduction in rental income received by a Property Class may impact the level of distributions it can make and may reduce the value of its assets.

Property maintenance risk

In the day-to-day operations of each Property Class, allowances are made for known capital works and maintenance of the properties. However, unforeseen repairs or capital works may be required, which may reduce the amount of income available for distribution.

Class Liquidity risk

Property assets tend to be less liquid than other forms of investment and it may take considerable time to sell a property and redeem the Property Units. The expected investment time frame for each Property Class will be disclosed in the relevant SPDS.

Borrowing risk

The RE may combine investors' money with borrowed money in a Property Class and invest the combined amount in a property. This process, known as gearing, magnifies the effect of gains and losses on your investment and is considered more risky than similar investments that are not geared.

If property values or rental income falls significantly the Property Class may be unable to meet its loan covenants which may result in the sale of that Property Class' assets.

In addition to the property risks outlined above, changes to interest rates or lender credit margins impact borrowing costs and ultimately impact the level of income you receive.

There is also a risk that the RE may not be able to refinance its borrowings when borrowing facilities mature. If this occurred, the Property Class may lose value from selling assets in poor market conditions in order to repay the borrowed amount.

The Investment Manager's intended approach is to actively manage each Class' borrowings in conjunction with the lenders to help manage this risk.

Income tax risk

There is a risk that the Australian tax laws at the date of publication of this document, including applicable case law and published guidance by the ATO, could change.

Australia is in the process of ongoing taxation reform. We will continue to monitor the tax reform process and its impact on the Platform. However, Investors are responsible for monitoring tax reform developments that may impact their investment in the Platform.

8. RISKS (Cont'd.)

MIT and AMIT risk

There is a risk that the Platform may not meet the eligibility criteria that would enable the Platform to access the MIT and AMIT regimes. If these regimes are not available to the Platform, the tax concessions available under those regimes (some of which are noted in Section 11) will not be available to the RE and Investors.

If the Platform doesn't meet the criteria for the regimes, the tax outcomes for investors will be subject to the tax laws that apply to all trusts and those outcomes may differ from those outlined in Section 11 of this PDS.

For example, it may be possible that a loss in one Property Class may not be able to be quarantined in that Property Class.

Also, the concessional rate of tax withholding that is available on certain distributions of net rental income and capital gains to non-resident investors will not be available.

Related party transactions risk

The Investment Manager is not a related party of the RE. The contractual arrangements between the RE and the Investment Manager are negotiated at arm's length between the parties.

The RE may from time-to-time enter into transactions with related entities. For example, the Administration Manager is a related party of the RE.

By making an investment in the Platform, Investors acknowledge that the Platform may make investments in properties managed by or owned by the Investment Manager.

It is not the responsibility of the RE to assess the merits of each investment recommended by the Investment Manager, but rather to review that each investment is contemplated by this PDS and the Platform's Constitution.

The RE does not directly manage the properties in which the Platform invests, and this role, where relevant will be undertaken by the Investment Manager.

The RE will rely solely on the confirmation of the Investment Manager that the Platform's investments are made in accordance with the guidelines it has specified in this PDS (and any SPDS) and that any investment is made on arms' length terms. Further, the RE will not undertake any independent review that this is in fact the case. Accordingly, the RE does not guarantee that these transactions will be entered into on arm's length terms.

By investing in the Platform, Investors acknowledge that the Investment Manager is responsible for making investments decisions for the Platform and that the investments entered into by the Platform may not be on arm's length terms and that they have made their own independent investigations to satisfy themselves of the benefit of becoming an Investor in the Platform.

Valuation risk

This is the risk that the valuation of the investments contemplated by the Platform are inaccurate at the time of deciding to invest so that the amount realised on exit is less than would have been expected had the valuation been correct. There is also the risk that where a professional valuer is used who provides an inaccurate valuation, that valuer does not have or no longer has adequate professional indemnity insurance to cover the valuation on which the lender relies.

Stamp duty and land tax risks

Despite the views as expressed in this PDS and in particular, section 11 regarding the duty and land tax consequences for the Platform and Investors, there remains a risk that a commissioner in one or more State or Territory may take a different view and seek to assess duty or land tax (or additional duty or land tax) (including foreign purchaser duty and foreign person land tax surcharge). If duty or land tax (or additional duty or land tax) was assessed, it would be necessary for the party liable to the duty or land tax to challenge any assessment by objection and thereafter in court. A court may ultimately allow the commissioner's assessment (plus interest and penalties).

In particular, there is a risk that a commissioner in one or more State or Territories may take the view that each Class of Units in the Platform is a separate and distinct trust for stamp duty and/or land tax purposes, and consequently:

- whether any transactions involving Units will be subject to transfer or conveyance duty, will be assessed on a Class by Class basis, including in assessing whether the acquisition of Units on its own or when aggregated with other acquisitions by the acquirer, a person associated with the acquirer or any other person in an associated transaction, exceeds the acquisition threshold in that State or Territory. This could result in the acquisition threshold being met and landholder duty being triggered, when such duty would not otherwise have been triggered if such assessment were made at the Platform level; and
- whether foreign purchaser duty (additional duty at rates of up to 8%, depending on the jurisdiction) and foreign person land tax surcharge (additional land tax at rates of up to 2%, depending on the jurisdiction), applies to the acquisition and holding of Underlying Property, will be assessed on a Class by Class basis. This could result in the acquisition of the Underlying Property being subject to foreign purchaser duty and/or the holding of the Underlying Property being subject to foreign person land tax surcharge, when such additional duty and land tax would not otherwise have been triggered if such assessment were made at the Platform level. For example, because the test for whether there is sufficient foreign ownership would be satisfied at the Class level but not at the Platform level.

8. RISKS (Cont'd.)

Disputes and defaults risk

In the ordinary course of its operations, the Platform may be involved in disputes and possible litigation with tenants or other service providers. There exists a risk that a material or costly dispute or litigation could affect the amount of expected income of the Platform.

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 Platform's investment from all risks. Investors should ensure they obtain appropriate professional advice regarding the suitability of an investment in the Fund having regard to their individual circumstances, including investment objectives, their level of borrowings, their financial situation and individual needs.

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

The RE has not sought to verify any statements contained in this PDS about the investment opportunity described herein, the investment strategy employed by the Investment Manager, the Investment Manager's business or the business of any other parties named in this PDS.

Neither the RE nor Investment Manager guarantees the repayment of investments or the performance of the Platform or of any Class within the Platform.

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



9. UNIT PRICES AND DISTRIBUTION PAYMENTS

How we calculate unit prices

The Unit price of the Cash Class is generally calculated on a weekly basis. The Unit price is generally calculated by taking the bank balance of the Cash Class, and deducting the liabilities (less any accrued expenses). The resulting value is then divided by the total number of Cash Units on issue.

The Unit price for each Unit in a Property Class is calculated in the same manner, taking into consideration the net asset value and the number of Units on issue for that Class at the relevant time. Where fees or costs relate to more than one class, the RE will allocate the costs as it deems appropriate. The frequency of calculating the Unit Price of a Property Class will be disclosed in the relevant SPDS relating to the relevant Property Class.

Generally, application and withdrawal prices are calculated taking into account any applicable buy/sell spread. The Platform will generally not have a buy/sell spread and therefore buy/sell adjustments to the Unit price will not generally need to be made.

Where the RE applies its discretion to Unit pricing using its powers under the Platform's Constitution (e.g. in determining an appropriate level for the buy/sell spread, based on estimates of underlying transaction costs being incurred by the Platform), it acts in accordance with its set policies. Investors may inspect a copy of these policies at our registered office at any time between 9:00am and 5:00pm (Melbourne time) on a Business day or a copy is available free of charge by calling us on 61 3 8352 7120

For Unit price updates please visit our website www.vascofm.com or call us on 61 3 8352 7120

Distribution payments

The distribution calculation methodology is slightly different between the Cash Class and the Property Classes.

In respect of the Cash Class, the amount of distribution income paid to you is based on the number of Cash Units you held during the distribution period and how long you have held each Cash Unit. This means that even if 2 unitholders each own 100 Cash Units, if they have not held the Cash Units for the same amount of time within that distribution period, their respective distribution entitlement will be different.

In respect of a Property Class the amount of distribution income paid to you is based on the number of Units held at the end of each distribution period, irrespective as to when the investor became a Unit Holder within that distribution period.

Distributions are generally paid within 30 days of the end of a distribution period.

The distribution period for the Cash Class will be on a quarterly basis. The distribution period for a Property Class will be disclosed in the relevant SPDS.

Please note if you are investing through a master fund or IDPS, the operator may pay income at different times and may not offer you a choice of payment options.



10. FEES AND OTHER COSTS

This section sets out the fees and other costs that may be incurred by the Platform. You should read all information about fees and costs carefully as it is important to understand their impact on your investment.

Consumer Advisory Warning

Government regulation requires the inclusion of the following standard consumer advisor warning as set out below. The information in the consumer advisory warning is standardised across all product disclosure statements and does not provide any specific information on the fees and charges in this Platform.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Platform or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission ('ASIC') website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

This table shows fees and other costs that you may be charged for an investment in the Platform.

These fees and costs may be deducted from your money, from the returns of your investment or from the Platform's assets as a whole. Taxation information is set out in section 11.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

The SPDS for each Property Class will disclose the fees and other costs payable in respect of each Property Class.

ASIC Class Order [CO 14/1252] applies to this PDS.

Type of fee or cost ¹	Amount ²	How and when paid
Fees when your money moves in or out of the Fund		
Establishment Fee The fee to open your investment.	Nil	Not applicable
Contribution Fee The fee on each amount contributed to your investment.	Nil	Not applicable
Withdrawal Fee The fee on each amount you take out of your investment.	Nil	Not applicable
Exit Fee The fee to close your investment.	Nil	Not applicable

10. FEES AND OTHER COSTS (Cont'd.)

Type of fee or cost ¹	Amount ²	How and when paid
Management Costs		
The fees and costs for managing your investment		
RE Fee	0.31% per annum of the gross asset value of the Platform with a minimum: – \$44,000 for the first year commencing 17 January 2018, and – \$66,000 in each year thereafter. ³	Calculated and accrued monthly from execution of the Constitution and payable to the RE monthly in arrears from the Platform's assets within 7 days of the end of each month, subject to the fee be apportioned pro-rata across the GAV of each Class.
Investment Manager Fees	Property Class Establishment Fee – Cash Class - Nil – Property Class- Up to 5.13% of the gross asset value of each Property Class. ^{4 5}	Calculated and paid directly to the Investment Manager from the assets of the Property Class within a month of the Property Class being established and amortised over a suitable number of years.
	Annual Investment Management Fee - Cash Class: 0.31% per annum of the gross asset value of the Cash Class ⁵ - Property Class: Up to 3.08% per annum of the gross asset value of each Property Class ^{4 5}	Calculated and accrued monthly and payable to the Investment Manager monthly in arrears from the relevant Class assets within 7 days of the end of each month.
	Property Acquisition Fee Cash Class: - Nil Property Class: Up to 5.13% of the purchase price of each Property. ^{4 5}	Calculated on the purchase price of each Property and payable to the Investment Manager on settlement of the relevant Property from the assets of the relevant Property Class.
	Property Disposal Fee Cash Class: - Nil Property Class Up to 5.13% of the sale price of each Property. ^{4 5}	Calculated on the sale price of each Property and payable to the Investment Manager on settlement of the relevant property from the assets of the relevant Property Class.
Expenses (including indirect cost)	Estimated to be 0.66% per annum of the gross asset value of the Cash Class ⁵ The estimated expenses calculation for the Property Classes will be disclosed in the relevant SPDS.	Expenses may be claimed on a monthly basis, and are deducted from the assets of each Class on at least a monthly basis.
Service Fees		
Switching Fee The fee for changing investment options.	Nil	Not applicable

1. See "Additional explanation of fees and costs" below for further details as to fees and costs you may be charged.
2. All fees are inclusive of GST, any applicable stamp duty less any applicable input tax credits.
3. The Investment Manager has agreed to pay the RE Fees and Expenses until such time as they are able to be paid from the assets of the Platform. The Investment Manager may be reimbursed from the Platform in future years for any RE Fees and Expenses it pays.
4. The actual fee to be charged will be disclosed in the relevant SPDS.
5. The amount of this fee can be negotiated. See "Differential Fees" below.
6. The expense recovery is only an estimate based upon the Cash Class having a net assets value of \$1m and 6 Property Classes each with a gross asset value of \$5m each. The actual expense recovery may be higher or lower.

10. FEES AND OTHER COSTS (Cont'd.)

Example of annual fees and costs for the Cash Class

The table below provides an example of how fees and cost in the Cash Class can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

An example in respect of each Property Class will be provided in the SPDS for the relevant Property Class.

Example

Example ¹	Balance of \$50,000 with a contribution of \$5,000 ¹ during the year	
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS Management costs (Indirect cost ratio)	1.28% per annum of the net asset value of Cash Class, ²	And, for every \$50,000 you have in the Cash Class, you will be charged \$640 each year.
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year, and you put in an additional \$5,000 during that year ³ , you will be charged fees and costs of \$640. ⁴

1. This table is based upon the Cash Class having net asset value of \$1m and 6 Property Classes each with a gross asset value of \$5m each.
2. 1.28% is the indirect cost ratio of the Cash Class, which is quoted inclusive of GST and net of reduced input tax credits. It is an estimate of the total management costs (which does not include transactional and operational costs) or deducted from the Cash Class and is represented as a percentage of the estimated average net asset value of the Cash Class.
3. It is assumed that the contribution of \$5,000 is made at the end of the year.
4. Additional fees and costs may apply. Please refer to the explanation of 'Transactional and Operational Costs' and the 'Buy/Sell Spread' in the 'Additional Explanation of Fees and Costs' section.

Additional explanation of fees and costs

Payment of fees and costs

The Investment Manager has agreed to pay the RE Fees and Expenses outlined above until such time as they are able to be paid from the assets of the Platform. The Investment Manager may be reimbursed from the Platform in future years for any RE Fees and costs it pays.

Maximum RE fees

Under the Constitution, the RE is entitled to charge the following maximum fees in relation to the proper performance of its duties:

- Management fee of:
 - up to 1.05% per annum of the gross asset value of the Cash Class;
 - up to 3.14% per annum of the gross asset value of the Property Classes;
- Application fee of up to 5.13% of the application money paid to acquire Units;
- Exit fee of up to 5.13% of withdrawal proceeds paid to unit holders.

However, the RE currently only intends to charge the fees as disclosed in the tables above.

In respect of the Property Class the RE will also charge a Documentation Fee of \$250 plus GST for each set of property acquisition documents that the RE is required to review and execute on behalf of the Fund.

The RE will also charge a termination fee of \$9,500 plus GST to the Platform if the Platform is wound up or it is replaced as the responsible entity of the Fund.

Expenses

Expenses means costs incurred by the RE in the administration of the Platform and include fees payable to the Custodian, Administration Manager, auditor and compliance plan auditor and also include other administrative expenses such as accounting and legal advice, audit fees, insurances, consulting fees, costs relating to Unit holder meetings and registry fees.

The Constitution does not limit the amount that the RE can recover from the Platform as expenses provided they are properly incurred in operating the Platform.

These expenses include all expenses relating to the Investment Manager (including investment manager fees).

The RE has also entered into an Administration Agreement with the Administration Manager whereby the Administration Manager is entitled to the following fees per annum (subject to an increase of 5% per annum on 1 January of each year):

- \$25k where the Platform has total assets of less than \$10m and there are less than 25 unit holders;
- \$35k where the Platform has greater than \$10m of assets or where there are 25 or more unit holders; and
- \$5k for each Property Class.

The RE estimates these costs to be around 1.28% p.a. of the gross asset value of the Cash Class

This estimate does not include abnormal operating expenses which are due to abnormal events such as the cost of running investor meetings for example.

10. FEES AND OTHER COSTS (Cont'd.)

Investment Manager fees

These are the fees payable to the Investment Manager for managing the Platform's assets. These are all classified as expenses of the Fund. Pursuant to the terms of the Investment Management Agreement the Investment Manager is entitled to charge the following fees:

■ Property Class Establishment fee

- Cash Class - 0%
- Property Class - Up to 5.13% of the gross asset value of each Property Class. This fee is paid directly to the Investment Manager from the assets of the Property Class within a month of the Property Class being established. This fee includes the costs associated with establishing a new Property Class.

The actual Property Class Establishment fee for each Property Class will be disclosed in the SPDS for the relevant Property Class.

■ Investment Management fee

- Cash Class - 0.31% p.a. of the gross asset value of the Cash Class
- Property Class - Up to an amount equal to 3.08% p.a. of the gross asset value of each Property Class.

The exact Investment Management fee for each Property Class will be disclosed in the SPDS for the relevant Property Class.

This fee is calculated and accrued monthly and is payable to the Investment Manager monthly in arrears from the relevant Class' assets within 7 days of the end of each month.

This fee is paid to the Investment Manager for managing the assets of the Platform.

■ Property Acquisition Fee

- Cash Class - N/A
- Property Class - Up to an amount equal to 5.13% of the purchase price of each Property.

This fee is calculated on the purchase price of each Property. The actual Property Acquisition Fee for Property Class Units will be disclosed in the SPDS for the relevant Property Class.

The Property Acquisition Fee is payable on the settlement of each Property from the relevant Property Class.

This fee is paid to the Investment Manager for successfully sourcing and acquiring a property for the relevant Property Class.

■ Property Disposal Fee

- Cash Class - N/A
- Property Class - Up to an amount equal to 5.13% of the sale price of each Property.

This fee is calculated on the sale price of each Property. The actual Property Disposal Fee for each Property Class units will be disclosed in the SPDS for the relevant Property Class.

The Property Disposal Fee is payable on the settlement of each Property from the relevant Property Class.

This fee is paid to the Manager for successfully selling a property of the relevant Property Class.

Buy and sell spreads

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 Platform are borne by that investor, and no other investors.

Buy and sell spreads are calculated based on the actual or estimated costs the Platform may incur when buying or selling assets. They will be influenced by our experience of the costs involved in trading these assets or the costs that the Platform has actually paid, and will be reviewed whenever necessary to ensure they remain appropriate.

When you enter or leave the Platform, any buy or sell spread applicable at that time is a cost to you, additional to the fees noted in the fee table above, and is reflected in the unit price.

The buy and sell spreads are retained within the Platform, they are not fees paid to the RE 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 spread or sell spread in respect of Cash Units. Any buy or sell spread in respect of Property Units will be disclosed in the SPDS for the relevant Property Class.

Current buy and sell spreads can be obtained online at www.vascofm.com or by contacting us.

Transactional and operational costs

Transaction costs are costs incurred by the Platform for buying and selling direct property and other Platform assets. They include brokerage, stamp duty, legal and tax advice, and property settlement costs. These are additional costs to you.

No transaction costs are expected in the Cash Class. Transaction costs for each Property Class will be disclosed in the SPDS for the relevant Property Class.

Operational costs are costs incurred by the Platform for ownership and maintenance of the Properties. They include, rates, land tax, other statutory outgoings, property manager fees, maintenance expenses, other general outgoings and interest rate hedging costs.

No operational costs are expected in the Cash Class.

Operational costs for each Property Class will be disclosed in the SPDS for the relevant Property Class.

10. FEES AND OTHER COSTS (Cont'd.)

Indirect costs

Indirect costs are amounts that the RE knows, or estimates, will reduce the Platform's returns. The costs are paid from the Platform's assets, or the assets of interposed entities in which the Platform may invest from time to time. Typically, an interposed vehicle will be a trust in which the Platform has invested.

The costs may include the cost of making an investment, such as spreads or brokerage costs, and fees charged by an interposed entity, including management fees and performance fees.

The Platform's estimated indirect cost for the Cash Class will be zero. The Platform's estimated indirect cost for the Property Class will be disclosed in the SPDS.

Indirect cost ratio ('ICR')

The ICR is a useful measure of the ongoing fees and expenses of investing in the Platform.

The ICR shows the cost of investing in the Platform compared to investing directly in assets. It is calculated by dividing the total ongoing fees and expenses by the average Platform size (based on net assets) over the period. The ICR does not include transaction and operational costs, buy/sell spreads, brokerage, borrowing costs, and Government charges incurred by the Platform as these costs would generally also be incurred by an investor investing directly. The ICR of the Cash Class is estimated to be 1.28%.

The ICR is based upon the Cash Class having net asset value of \$1m and 6 Property Classes each with a gross asset value of \$5m each.

Abnormal expenses

The RE is entitled to be reimbursed from the Platform for abnormal expenses, such as the cost of Unit holder meetings, legal costs of any proceedings involving the Platform and terminating the Platform. Whilst it is not possible to estimate such expenses with certainty, the RE anticipates that the events that give rise to such expenses will rarely occur.

Fees for other services

The RE or a related party may also provide other services to the Platform and/or specific Classes or the Platform's Unit holders in the future. Should that occur, the RE or a related party will charge fees for those services at commercial market rates for the provision of those services.

Differential fees

The RE and or the Investment Manager may rebate fees on an individual basis as permitted by the Corporations Act and ASIC relief. For example, the RE may rebate fees with wholesale investors as defined in the Corporations Act. See section 17 for contact details.

Changes to fees and expenses

The RE may change the fees and expenses referred to in this PDS. The RE will provide at least 30 days' notice to Unit holders of any proposed increase in fees or expense recoveries or introduction of new fees.

Waiver and deferral of fees

The RE may, in its discretion, accept lower fees and expenses than it is entitled to receive, or may agree to defer payment of those fees and expenses for any time. If payment is deferred, then the fee or expense will accrue until paid.

The Investment Manager has agreed to pay the RE's fees until such time as these fees are able to be paid from the Platform's assets. The RE has agreed to reimburse the Investment Manager any fees paid by it to the RE from the Platform's assets at such time when the Platform is able to do so.

All deferred fees and expenses will also be paid upon any retirement or removal of the RE.

Advice fees

The RE does not pay advice fees.

You may agree with your financial adviser that an initial advice fee will be paid for ongoing financial planning services your financial adviser provides for you in relation to your investment. This advice fee is additional to the fees shown in this section, and is paid to the Australian financial services licensee responsible for your financial adviser (or your financial adviser directly if they are the licensee). It is not paid to the RE.

Other payments and benefits

Your financial adviser may receive payments and/or other benefits from the organisation under which they operate. These payments and benefits are not paid by the Platform.

11. TAX

The following is a general overview of some of the relevant taxation implications for Investors who are Australian residents for tax purposes and who hold their investment in a class on capital account. This overview does not consider the tax implications for Investors who hold their investment in the Platform on revenue account, as an isolated investment made with profit making intent or as trading stock.

The tax consequences of investing in Managed Investment Schemes are particular to each Investor's circumstances. Accordingly, the RE strongly recommend that Investors seek independent professional taxation advice on the tax implications of investing in the Platform which is relevant to each Investor's individual circumstances. In addition, Investors should refer to the tax comments within each SPDS which will be tailored for each passive investment property asset.

Australian taxation

The Platform is established as a unit trust which generally does not pay tax on behalf of Investors. Rather, Investors will be assessed for tax on any income and capital gains arising from their investment in the Cash Class and/or Property Classes.

Subject to the comments below about public trading trusts, the RE will generally not pay tax in its own capacity or on behalf of Investors. The Platform is a flow-through vehicle and Investors are generally liable to pay tax on the income of a class, including capital gains, that are attributed to them in respect of the class in which they have made their investment.

The Managed Investment Trust (MIT) regime

The RE will assess whether the Platform is an eligible MIT and, if it is, will make an irrevocable election to apply deemed capital account treatment for gains and losses on disposal of the Platform's assets such as land or interests in land.

The effect of the election is that any gains or losses realised from the sale of the property held in a Property Class will be taxed under the CGT rules as a capital gain or loss.

The Attribution MIT (AMIT) regime

If the Platform meets the eligibility criteria to be an AMIT, the RE expects that it will make an election (AMIT election) to enter the regime so that each Class be treated as a separate AMIT. The Platform should not pay tax on the basis that it will attribute trust components to Investors of each Class each financial year on a fair and reasonable basis.

For Investors, an AMIT election means that:

- income from a particular class in which an Investor has an interest, that relates to specific property held in a Class, is attributed to the Investors of that class only; and
- losses from a particular Class, that relate to a specific property, can be quarantined in that class and only able to be applied against future income derived in the particular class (as opposed to being applied against the Platform's income on a whole of fund basis).

The AMIT regime also mandates how the RE must deal with under or over-distributions from the previous income year or years.

To assist you to complete your tax return, you will receive an AMIT member annual statement (AMMA Statement) from us. The AMMA Statement will provide you with information about the components of income attributed to you, to be included in your tax return. The sum of these components may differ to the amount of cash distribution you receive.

Public Trading Trust rules

Public trading trusts are taxed in broadly the same way as companies, meaning that, if the rules apply, the RE is liable to pay income tax at the company rate of tax (currently 30%) on the net income of the Platform and Investors who are entitled to the income of the trust will generally receive a credit for the tax paid by the RE.

The Platform may be a public trading trust if its investments do not satisfy the definition of an 'eligible investment business'. An 'eligible investment business' includes investing in land primarily for the purpose of deriving rent and investing in certain financial instruments that arise under financial arrangements.

The RE considers that the Platform's investments in the property held by each Property Class will be considered an investment in land primarily to derive rent and, on that basis, the RE is currently of the view that the Platform is unlikely to be a public trading trust. The RE will monitor this test regularly.

Income of the Platform - rent and capital gains

Investors will include in their assessable income their share of the net income and capital of the class that is attributed to them in the AMMA Statement.

The character of income attributed to Investors in the class will retain its character in the hands of the Investor. The attribution of net rental income will be assessed as ordinary income to Investors.

As the RE will make the MIT capital election, any gain from the disposal of the property held by a Property Class that is attributed to Investors will be assessed as a capital gain in the hands of Investors for that class. Where the RE has applied the CGT discount to the disposal of a property held by a Property Class, the CGT discount may also be available to the Investor if they are an individual, trustee or complying superannuation fund.

Investors will generally be required to gross up any discounted capital gains in their tax returns before applying the CGT discount if the CGT discount is available for the Investor.

11. TAX (Cont'd.)

Disposal or redemption of units in the Platform

The disposal or redemption of Cash Units or Property Units in the Platform will be a CGT event and the excess of the capital proceeds over the cost base will be a capital gain. Alternatively, the excess of the reduced cost base over the capital proceeds will be a capital loss.

The cost base of an Investor's Cash Units or Property Units is generally the amount the Investor pays to acquire the Units plus any incidental costs but can be impacted by any returns of capital, tax deferred distributions received in respect of your investment, and instances where the amount of cash distribution is less than your share of the Cash Class or Property Classes income that is attributed to you in an income year.

An Investor who is an individual, trustee or complying superannuation fund that has held their investment for at least 12 months prior to the disposal may be entitled to apply the CGT discount.

Investors who hold their Cash Units and/or Property Units as trading stock or on revenue account should seek their own independent tax advice about the taxation consequences upon disposal or redemption of their Units.

Non-residents

This general overview does not consider the Australian income tax implications for non-resident investors in detail.

Broadly, the Australian tax law imposes obligations on the Platform to withhold tax on distributions paid to non-residents for Australian tax purposes. MITs are eligible for concessional rates of withholding tax that vary depending on the type of Australian-sourced income and whether the Investor is a tax resident of a country with which Australia has an effective Exchange of Information arrangement on tax matters.

If you are not an Australian resident for tax purposes, withholding tax will be deducted from your distributions at the applicable concessional or general rates. The rates may vary according to the components of the distribution and the country in which you reside.

Tax file number (TFN) / Australian business number (ABN)

You are not obliged to quote your TFN, TFN exemption, or ABN in the Application Form.

However, if you do not do so, the RE is obliged by law to withhold tax from any income that you derive on your investment at the highest marginal tax rate (plus Medicare levy) until the TFN or exemption is provided. Non-residents are generally exempt from the requirement to provide a TFN.

An Investor may prefer to provide an ABN as an alternative to their TFN if their investment is made as part of an enterprise.

Foreign Account Tax Compliance Act (FATCA)

Broadly, the FATCA rules require the Platform to collect certain information, such as residency status and payments made in respect of the investment, from all Investors. The Platform must report on Investors who are US (and suspected US) persons, to the ATO and the ATO must forward the information to US tax authorities.

In order for the Platform to comply with its FATCA obligations, we will request that Investors and prospective Investors provide certain information. If requested by the RE the Investor agrees, and it is a condition of the issue of the Units to provide certain information required by it or the RE/Custodian in order to comply with any applicable law, including the United States Foreign Account Tax Compliance Act (FATCA).

Common Reporting Standard (CRS)

The Australian Government has enacted legislation to give effect to the CRS, from 1 July 2017.

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (or, CRS) requires certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures.

The Platform is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining certain information from Investors and reporting information on relevant accounts (which may include your units in the Platform) to the ATO.

In order for the Platform to comply with its CRS obligations, the RE will request that you provide certain information and certifications to us. The RE will determine whether the Platform is required to report your details to the ATO based on our assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the 'CRS Competent Authority Agreement', the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS.

11. TAX (Cont'd.)

Stamp Duty

The issue, transfer or redemption of Units will be subject to transfer or conveyance duty if, at the time of issue, transfer or redemption:

- the Platform holds an interest in Underlying Property in Queensland, or
- the Platform holds an interest in Underlying Property in another state or territory; the Platform is a 'landholder' (within the meaning of that state or territory's stamp duties legislation), the market value of the Underlying Property held by the Platform exceeds the relevant land value threshold in that state or territory and the acquisition of Units on its own or when aggregated with other acquisitions by the acquirer, a person associated with the acquirer or any other person in an associated transaction, exceeds the acquisition threshold in that state or territory.

Where such circumstances apply, duty will be charged at the relevant transfer rates on the proportion of the market value of the Underlying Property equivalent to the interest acquired. In most jurisdictions, the acquirer of the Units is primarily liable to pay the duty.

However, this duty may not be payable where the Platform qualifies as a 'widely held trust' in the state or territory in which the Underlying Property is located.

As the stamp duties laws will change from time to time, the RE recommends that investors seek their own independent advice before investing in the Platform.

The acquisition of the Underlying Property will be subject to duty in the state or territory in which the Underlying Property is located. Duty will be charged at the relevant transfer or conveyance rates (and any foreign purchaser surcharge, if applicable) on the greater of the consideration paid for the Underlying Property and the Underlying Property's market value. Usually the purchaser of the Underlying Property will be liable for payment of the duty.

Goods and Services Tax (GST)

The acquisition, redemption and transfer of Units in the Platform should not be subject to GST. Distributions made by the Platform should also not give rise to any GST consequences.

Fees and costs in respect of acquisitions by the Platform will generally be subject to GST. The Platform may not be entitled to claim an input tax credit for the full amount of that GST, however, the Platform may be entitled to reduced input tax credits.

Australian Tax Reform

Australia is in the process of ongoing taxation reform. The RE will continue to monitor the tax reform process and its impact on the Platform. However, Investors are responsible for monitoring tax reform developments that may impact their investment in the Platform.

This overview is based on our interpretation of the Australian tax laws at the date of publication of this document, including applicable case law and published guidance by the ATO, which may be subject to change.

Proposed measures to improve affordable housing

In the 2017-18 Federal Budget, the Government announced that it would encourage investment into affordable housing.

Exposure Draft legislation was released on 14 September 2017. The effect of the draft legislation was that MITs that invest in residential premises after 14 September 2017 would lose the tax concessions available to MITs, unless the premises are used to provide 'affordable housing'.

The draft legislation was subsequently amended and introduced into Federal Parliament on 8 February 2018. The updated draft legislation did not include the proposed limitation on MITs investing in residential premises. However, it is not clear whether the limitation on MITs from investing in residential premises, unless it is affordable housing, will be introduced at some future time.

The RE will continue to monitor the progress of the draft legislation and future developments regarding affordable housing.

12. KEY DOCUMENTS

Constitution

Overview

The Platform is governed by its Constitution as amended from time to time. Vasco Investment Managers Limited ACN 138 715 009 AFSL 344486 is the responsible entity of the Platform.

Classes

The Constitution allows the RE to issue different Classes of Units.

Each Unit confers on the Unit Holder a beneficial interest in a Class as an entirety and does not confer an interest in a particular part of the Platform or the Platform's assets.

Under the Constitution:

- The assets of a Class and all proceeds and income received by the RE in respect of, or relating to, the assets held by a Class are only referable to that specific Class. Similarly, the liabilities of a Class are attributed to that Class and - that they can only be met from the assets of that specific Class.
- The assets of a Class cannot be encumbered in relation to the liabilities of another Class.
- The RE is not entitled to be indemnified out of the assets of a Class in relation to the liabilities of another Class.
- The RE will apportion expenses across Classes in accordance with the Constitution.

Issue of Units

The RE may accept or refuse, in whole or in part, any application for Units and is not bound to give any reason to the investor for its decision.

Issue price of Units

The Constitution contains provisions for calculating the issue price of Units. Generally, the initial issue of Units in a Class will be at an issue price of \$1.00 per Unit. Each subsequent issue of Units in a class will generally be at the Net Asset Value per Unit of that Class less any transaction charge.

Assets of a Class Quarantined

The RE must only issue a Class of Units where:

- the assets of a Class and all proceeds and income received by the RE in respect of, or relating to, that Class are attributed to that Class;
- the liabilities of a Class are attributed to a Class such that they can only be met from the assets of that Class;
- assets of a Class are not encumbered in relation to liabilities of another Class; and
- the RE is not entitled to be indemnified out of the assets of a Class in relation to liabilities of another Class.

Transfers

If the RE approves Units may be transferred by instrument in writing in accordance with the Constitution (and subject to the Corporations Act).

RE's powers and duties

The RE holds the Platform's assets on trust and may manage the assets as if it were the absolute and beneficial owner of them.

The RE may appoint delegates, attorneys, or agents (including custodians) to perform any act, carry out any obligation or exercise any of its powers, as well as advisers to assist it with its duties and functions.

Indemnities and expense recovery

The RE has a right to be fully indemnified out of the assets of the Platform in respect of all expenses, liabilities, costs and other matters incurred by it in connection with the Platform and against all actions, proceedings, costs, claims and demands brought against it in its capacity as RE of the Platform except in the case of its own fraud, negligence or wilful default or in respect of overhead expenses of the RE.

The RE is indemnified and entitled to be reimbursed out of the assets of the Platform for all expenses properly incurred in connection with the Platform or in performing its obligations under the Constitution.

Termination and wind-up of Platform

The Constitution provides that the Platform will terminate on the expiration of 80 years less one day following the commencement of the Platform, unless terminated earlier either by the RE providing 30 days' notice to all Unit Holder or by law.

On termination, the assets of the Platform will be realised by the RE and the net proceeds from realisation will be distributed among the Unit Holders in accordance with the Constitution.

The RE will be entitled to retain from the proceeds of the realisation of assets, expenses incurred or likely to be incurred in connection with the winding up of the Platform. The RE will also be entitled to a termination fee of \$9,500 plus GST upon termination of the Platform.

Class termination

During the term of the Platform any individual Class can be terminated. This can occur if:

- the RE provides 30 days' notice to the Unit Holders of that Class that the Class is to be terminated;
- Unit Holders that hold 75% of Units on issue in that Class resolve to terminate the Class; or
- the term as set out in the relevant SPDS is reached and Unit Holders do not resolve to extend the term.

12. KEY DOCUMENTS (Cont'd.)

Property Class extension

Property Class Unit Holders can vote to extend the term of their Property Class beyond the term originally disclosed in the relevant SPDS. If the term of a Property Class is extended, all Property Class Unit Holders that did not want the Property Class to be extended will have their units redeemed (or transferred) from the Property Class.

Investment Management Agreement

The Investment Management Agreement is between the RE and AusFunds under which AusFunds provides investment management services to the Platform.

The Investment Management Agreement sets out AusFunds' obligations to the RE and to the Platform. The agreement also contains the arrangements in relation to the Fees and Costs that are summarised in Section 10.

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

If the RE is replaced then it is intended that the Investment Management Agreement will continue to operate on the same terms as between AusFunds and the new responsible entity of the Fund.

Administration Agreement

The Administration Agreement is between the RE and the Administration Manager under which the Administration Manager provides administration services to the Platform.

The Administration Agreement sets out the Administration Manager's obligations to the RE and to the Platform, including administrative, accounting, registry, unit pricing, financial and compliance reporting, AML/CTF and back office services in exchange for a fee, subject to the overall supervision of the RE.

Custody Agreement

The RE has entered into a Custody Agreement with the Custodian, whereby the RE has appointed the Custodian as a service provider to provide custodial services in relation to various schemes, including the Platform.

Compliance Plan

The RE, as required by the Corporations Act, has lodged a Compliance Plan for the Platform with ASIC. The Compliance Plan sets out how the RE ensures that the Platform complies with the Corporations Act and how it intends to operate the Platform under the Constitution.

If the Compliance Plan is breached in a significant way such that the breach has an adverse effect on Unit Holders, the RE is obliged to report such a breach to ASIC.

A copy of the Compliance Plan is available free of charge from the office of the RE.



13. ADDITIONAL INFORMATION

Labour standards or environmental, social or ethical considerations

The RE and the Investment Manager do not take into account labour standards or environmental, social and ethical considerations when selecting, retaining or realising any investments in any of the Classes of the Platform.

AML Policy

In 2006, the Federal Government enacted the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act). The RE is a 'reporting entity' pursuant to this Act and, as such, must be 'reasonably satisfied' that an investor exists and is who they claim to be prior to issuing Units to them. This means that all new Unit Holders in the Platform must provide the identification information as set out in the Application Form or any further information that the RE may additionally request. The RE will not issue Units to a new investor unless satisfactory identification documents are attached to the Application Form.

The RE will maintain all information collected from Unit Holders in a secure manner in accordance with AML/CTF Act and relevant privacy principles. Information about a prospective investor or Unit Holder will only be disclosed where required by the laws of Australia.

This means that identification information may be disclosed to the Australian Transaction Reports and Analysis Centre or other government or law enforcement agencies. The RE may also disclose this information to other entities involved with the Platform to the extent that this information is required to fulfil that entity's AML/CTF obligations. The Responsible Entity is not liable for any loss you may suffer as a result of its compliance with the AML/CTF Act.

Privacy

The Application Form attached to the PDS requires you to provide personal information to the RE. The RE collects this personal information so that it can process and administer any application for investment in the Platform you make. Additionally, the RE collects this information in order to administer, manage and generally service your investment in the Platform.

The RE will normally collect personal information directly from you. However, in certain circumstances, the RE may collect personal information about you from third parties, such as the Administrator Manager or third party service providers of the RE.

If you do not provide the personal information requested by the RE or provide incomplete or inaccurate information, the RE may not be able to accept or process your application for an investment in the Platform or may be limited in the services or assistance the RE can provide with respect to the administration of any investment you subsequently make in the Platform.

The RE may disclose your personal information to organisations such as the Administrator Manager, any third party service provider it may engage to provide custody, administration, technology, auditing, mailing, printing or other services and our professional advisers (including legal and accounting firms, auditors, consultants and other advisers).

Such third parties may use and disclose your personal information for a purpose described in this Privacy Statement which may involve the transfer of your personal information outside of Australia (including to countries where there may be less stringent data protection laws) to process personal information on our behalf. Where this is the case, it may not be possible to ensure that the overseas recipient does not breach the Australian Privacy Principles ('APP') in relation to your personal information.

In providing us with your personal information, you consent to the possibility that your personal information may be transferred outside of Australia for processing and agree that APP 8.1 shall not apply to the disclosure, nor will the RE be liable under the Privacy Act 1988 (Cth) ('Privacy Act') in the event that the recipient does not act consistently with the APPs.

The RE may also collect certain personal information from you and/or disclose your personal information to government or regulatory bodies where permitted or required to do so by law. For example, the RE may be required to collect and disclose certain information in order to comply with the identification and verification requirements imposed under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. For certain investors, the RE may also be required to collect and disclose certain personal information to the ATO in order to comply with the Foreign Account Tax Compliance Act

If you notify the RE that you have a financial adviser, either on your Application Form or in writing (at a later date), you consent to the RE disclosing to that financial adviser details of your investment in the Platform and/or other related personal information.

The RE will take reasonable steps to ensure that the personal information about an investor or other relevant person that it collects, uses or discloses is accurate, complete and up to date. You or another relevant person can request access to your personal information or a copy of the RE's Privacy Policy by telephone or writing to the Privacy Officer at:

Privacy Officer

Level 5, 488 Bourke Street,
Melbourne, Victoria 3000,

info@vascofm.com

61 3 8352 7120

The RE's Privacy Policy is also available on its website:

www.vascofm.com

13. ADDITIONAL INFORMATION (Cont'd.)

Monitoring of related party transaction and conflicts management

Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other parties.

Policies and guidelines are in place to manage the risk of any actual or perceived conflict of interest as a result of a related party transaction. Related party transactions with related entities are reviewed and approved by senior management with clearly identified governance policies and guidelines.

Decisions in relation to conflict of interest and related party transactions are documented.

Updates to related party transactions and further information

As appropriate, the RE will provide ongoing updates of material service engagements and financial benefits that are paid to related parties through the Annual Report. The value of related party payments are reported yearly as part of the Platform's Annual Report.

For information about the Related Party Policy please contact the RE. The latest Annual Report can be found on our website www.vascofm.com. Alternatively the RE can send you a free copy by calling them on +61 3 8352 7120

Minimum Holding Period

Investors cannot withdraw from the Cash Class until they have held their Cash Units for at least 6 months from when their Cash Units were issued.

Inconsistency

If there are any inconsistencies between the PDS, SPDS and the Constitution, the Constitution will prevail.

Small account balances

If the current value of your account is below the minimum balance required, the RE may withdraw your Cash Units and pay you the proceeds. The amount payable will be the withdrawal price on the date of the withdrawal multiplied by the number of Cash Units you hold.

Keeping you informed about your investment

To help keep you informed of your investment, the RE, Administration Manager or Investment Manager will provide you the following:

Communication	Frequency	Provided by
Confirmation of your initial application	At the time of the transaction	Administration Manager
Confirmation of subsequent applications		Administration Manager
Platform update	Quarterly	Investment Manager
Australian tax statement showing taxation details	Annually	Administration Manager
Annual Reports (Available on our website www.vascofm.com) You can elect to receive a hard copy of the Annual Report.	Annually	Administration Manager

If the Platform becomes a disclosing entity it will be subject to regular reporting and disclosing obligations. It will comply with the continuous disclosure obligations required by law by the updating of information contained within this PDS on our website in accordance with the good practice guidelines in the ASIC Regulatory Guide 198 Unlisted disclosing entities: Continuous disclosure obligations.

For more up to date information about the Platform's performance, the RE provides quarterly Platform Updates and the latest Annual Report. These can be found on the RE's web page: www.vascofm.com

The RE can also provide you with a free copy of the Annual Report most recently lodged and any half-yearly financial report lodged after the Annual Report is lodged (and before the date of this PDS) with ASIC, and any Continuous Disclosure Notices given after the Annual Report is lodged (and before the date of this PDS).

As the information in this PDS may change from time to time, you can obtain updated information that is not materially adverse by:

- visiting our website www.vascofm.com or
- calling +61 3 8352 7120

to request a free printed copy of the updated information.

13. ADDITIONAL INFORMATION (Cont'd.)

Enquires and Complaints

The RE takes complaints seriously and aim to resolve them as quickly as possible.

The Constitution sets out the procedure by which the RE is to receive, consider, investigate and respond to complaints by investors who are dissatisfied with the management or administration of the Platform. Applicants and Unit Holders who wish to make a complaint about the Platform should contact the RE by telephone on +613 8352 7120, by email to info@vascofm.com or in writing addressed to:

The Complaints Officer

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

The RE will acknowledge a complaint as soon as practicable after receiving it and will notify the complainant of its decision, remedies and other information within 45 days of the complaint being made.

The RE is also a member of the Financial Ombudsman Service Limited (**FOS**) which provides an external complaints resolution scheme. Complaints that cannot be resolved internally by the RE to the Unit Holder's satisfaction can be taken by the Unit Holder to the FOS. Unit Holders can contact the FOS on telephone 1800 367 287 (within Australia), by facsimile on (03) 9613 6399 or by writing to GPO Box 3, Melbourne, Victoria, 3001.

Consents

Each of the following parties has given their written consent to act in the position and role set out in the directory:

- Vasco Investment Managers Limited
- Vasco Funds Management Pty Limited
- AusFunds Investment Management Pty Ltd
- AET Corporate Trust Pty Limited

Where applicable, they have consented to the information attributed to them in this PDS in the form and context in which they have been included. Further, none of these parties have withdrawn their consent prior to the date of this PDS.



14. HOW TO APPLY

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

A completed and lodged Application, together with payment of the relevant application monies should be returned to the Administration Manager at the address shown on the Application. This will constitute a binding and irrevocable application for the number of units noted on the Application.

If the Application for units is not completed correctly or if the payment of the application monies is for the wrong amount, it may still be treated as a valid Application at the sole discretion of the Responsible Entity. 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 Responsible Entity (through the Custodian) has the discretion to retain the application monies in the application account for a period of up to 30 days before deciding to accept (for the next application time) or reject the Application in whole or in part.

The Applicant agrees to accept any number less than the number of Units applied for that may be issued to the Applicant and a refund of the excess application monies for Units not allotted. Applicants whose Applications are not accepted, or are accepted for a lower number of Units than the number applied for, will receive a refund of all or part of their application money (as applicable) without interest within 10 Business Days of the Responsible Entity's determination not to accept the Application (in whole or in part).

If an Applicant's Application Form is incomplete, the Administration Manager will endeavour to contact the Applicant or their financial advisor to make arrangements to correct the Application Form. If the Administration Manager is unable to contact the Applicant or their financial advisor, the Administration Manager will return the application monies within 30 days.

The Responsible Entity reserves the right to reject an Application (in whole or in part) without reason.

Applications along with application monies should be emailed, faxed, mailed or delivered to:

Vasco Funds Management Pty Limited
Level 5, 488 Bourke Street Melbourne,
Victoria, 3000, Australia

T +61 3 8352 7120

F +61 3 8352 7199

E info@vascofm.com

All application money payments should be made as follows:

1. By cheque:

Cheques should be made out to "AET CORPORATE TRUST PTY LTD ACF AFPIP" and crossed "Not Negotiable". No application will be processed until the cheque has been cleared.

2. By electronic transfer:

Electronic transfers should be made to "AET CORPORATE TRUST PTY LTD ACF AFPIP" c/o St. George Bank – BSB: 332027, Account: 554976929 and identified by the name of the person or entity making the transfer (including ACN or ABN) where applicable.

The St. George Bank Swift Code is SGBLAU2S.

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



15. APPLICATION FORM



AusFunds Fractional Property Investment Platform Cash Class

Use this application form if you wish to invest in:

AusFunds Fractional Property Investment Platform - Cash Class

The Product Disclosure Statement (PDS) for the AusFunds Fractional Property Investment Platform (Fund) dated 26 February 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 PDS and any incorporated information. You should read the PDS and any incorporated information before completing this Application Form. The Responsible Entity 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 PDS and any incorporated information, will send you a paper copy of the PDS and any incorporated information and Application Form free of charge if you so request.

Customer identification

If you are a new Investor, you are also required to complete the relevant Customer Identification Form (FSC/FPA forms) depending on what type of Investor you are e.g. individual or super fund. The Customer Identification Forms are available on our website www.vascofm.com or by calling the Administration Manager on 1300 780 799.

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 the relevant 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 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 and submission

Mail your completed Application Form and identity verification documents to:

Vasco Funds Management Pty 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 the Administration Manager on +61 3 8352 7120.

Checklist

Before sending us your application please ensure you have:

- completed this form in full;
- for new investments, completed the relevant 'Customer Identification Form' available on our website www.vascofm.com;
- if paying via direct debit, completed section 11 ensuring ALL bank account signatories have signed;
- if paying via cheque, ensure cheque is made payable to 'AET Corporate Trust Pty Ltd ACF AFPIP' and attach it to this Application Form; and
- read the declaration and provided all relevant signatures and identification document required for all signatories.

4. Contact details

This is the address where all correspondence will be sent.

Contact person

Unit number Street number

Street name

Suburb

State Postcode

Country

Phone (after hours) Phone (business hours)

Mobile Facsimile

Email

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

TFN TFN

Tax exemption Tax exemption

ABN

5c. Non-residents

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

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.
- Bank Cheque → make cheque payable to 'AET CT Pty Ltd ACF AusFunds Fractional Property Investment Platform'.

Fund name	Initial investment
Total Investment Amount	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/> <input type="text"/>

The minimum initial investment is \$5,000.

Cheque Instructions: Bank Cheques or drafts must be made payable to AET CT Pty Ltd ACF AusFunds Fractional Property Investment Platform. 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 Funds Management Pty Limited
 Level 5, 488 Bourke Street
 Melbourne VIC 3000

Alternatively you can direct credit your Application Monies to:

Direct Credit / EFT Instructions

St. George Bank
 BSB 332027
 Account number 554976929

Please note the applicants name when transferring the funds.
 Please ensure all funds transferred are net of all bank charges.

7. Income distributions

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

- Please reinvest my/our income distributions into the Fund.
- Please credit my/our nominated bank account provided in section 9 with my/our income distributions.

8. Annual report

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

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

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

Financial institution	<input type="text"/>
Branch	<input type="text"/>
Account name	<input type="text"/>
Branch number (BSB)	<input type="text"/> - <input type="text"/>
Account number	<input type="text"/>

10. Residency Declaration

AusFunds is required to monitor the investor makeup in the Platform as a whole and in each Class to determine if it is a local or foreign fund for stamp duty purposes.

Providing the below information will assist AusFunds in making this determination.

Please record a response of 'Y' or 'N' for each question in the box provided.

1. What type of investor are you?
 - Natural person – Go to question 2
 - Company – Go to question 3
 - Trust (including a discretionary trust, unit trust, and Superannuation Fund) – Go to question 4

2. Are you any of the following?
 - Australian citizen within the meaning of the *Australian Citizenship Act 2007*;
 - New Zealand citizen who holds a special category visa, within the meaning of section 32 of the *Migration Act 1958*;
 - The holder of a permanent visa within the meaning of section 30(1) of the *Migration Act 1958*, you have been in Australia for 200 or more days of the preceding 12 month period and intend to remain in Australia, and your continued presence in Australia is not subject to any limitation as to time imposed by law.

3. Does the company meet all the following?
 - The company is incorporated within Australia.
 - All the directors are and will continue to be within (2) above.
 - All the direct and indirect shareholders are and will continue to be within (2), this section (3) and/or (4) below.
 - Other than the directors and shareholders, no other party has or will have rights or influence in respect of the company either currently or in the future.

4. Does the trust meet all the following?
 - The trustee falls within (2) and/or (3) above.
 - The trust is a type of trust in which all the beneficiaries that are or may be entitled to capital or income (including discretionary and default beneficiaries) are limited to natural persons falling within (2), companies falling within (3) and trusts falling within this section (4).
 - For discretionary trusts, any appointor or guardian falls within (2) and/or (3) above.
 - Other than the trustee and for discretionary trusts, the appointor or guardian, no other party has or will have rights or influence in respect of the trust either currently or in the future.

5. To the best of your knowledge, are you related or associated with any other unitholder?
 - No
 - Yes. Please provide details:

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

Please read the declarations below before signing this form. The signatures required are detailed at the bottom of this form. I/We declare that:

- all details in this application and all documents provided are true and correct and I/we indemnify the Responsible Entity against any liabilities whatsoever arising from acting on any of the details or any future details provided by me/us in connection with this application;
- I/we have received a copy of the current PDS and all information incorporated into the PDS to which this application applies and have read them and agree to the terms contained in them and to be bound by the provisions of the current PDS (including the incorporated information) and current constitution (each as amended from time to time);
- I/we have legal power to invest in accordance with this application and have complied with all applicable laws in making this application;
- I/we have received and accepted this offer in Australia;
- the details of my/our investment can be provided to the adviser group or adviser named at the end of this form or nominated by them by the means and in the format that they direct;
- if this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it);
- sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the company;
- I/we acknowledge that if Vasco reasonably believes an email or facsimile communication it receives is from me/us Vasco is entitled to rely on that email or facsimile communication and will not be liable for any loss it may suffer if it is later found the email or facsimile communication was fraudulent.
- unless alternative authority for signature is notified to and accepted by Vasco, the person/persons that signs/sign this form is/are able to operate the account on behalf of the company and bind the company for future transactions, including in respect of additional deposits and withdrawals, including withdrawals by telephone and fax;
- I/we acknowledge that I/we have read and understood the information under the heading 'Privacy and Personal Information' in the relevant PDS. I am/We are aware that until I/we inform Vasco otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading and I/we have consented to my/our financial adviser providing such further personal information to Vasco as is required or reasonably deemed necessary by Vasco under applicable law;
- I/we understand that if I/we fail to provide any information requested in this Application Form or do not agree to any of the possible use or disclosure of my/our information as detailed on the PDS, my/our application may not be accepted by Vasco and we agree to release and indemnify Vasco in respect of any loss or liability arising from its inability to accept an application due to inadequate or incorrect details having been provided;
- I/we acknowledge that an investment in the Fund is subject to risks, including loss of capital, and none of Vasco, or any other member of Vasco or any custodian or investment manager, guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution;
- I/we are bound by the Constitution and that an application for Units is binding and irrevocable;
- I/we have not relied on statements or representations made by anybody, other than those made in the PDS;
- I/we agree and acknowledge no cooling off period applies and I/we have had the opportunity to seek independent professional advice on subscribing for Units;
- I/we agree and acknowledge Vasco is required to comply with the anti-money laundering laws in force in a number of jurisdictions (including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006) and I/we must provide Vasco with such additional information or documentation as Vasco may request of me/us, otherwise my/our application for 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 acknowledge and agree to having read and understood the risks of investing in the fund as described in the PDS and understand that the risks associated with the Fund's investments may result in lower than expected returns or the loss of my/our investment.

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

I/We also warrant and acknowledge that:

- All information contained in my/our application is true and correct;
- I/we are not a Politically Exposed Person (PEP) as defined by the AML/CTF legislation;
- 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;
- I/We are not US Citizens or US tax residents, nor a company trust, partnership or estate in which a US citizen or US tax resident has a substantial or controlling interest. Refer to list of signatories on page 6 of this Application Form.

Investor 1

Signature Date / /

Surname

Given name(s)

Capacity Sole Director Director Trustee Other

Investor 2 (joint investors)

Signature Date / /

Surname

Given name(s)

Capacity Director Company Secretary Trustee Other

Signing Authority

Please tick to indicate signing requirements for future instructions (e.g. withdrawals, change of account details, etc.)

- Only one required to sign.
- All signatories must sign.

12. Adviser Information

I consent to my advisor, whose details are provided below, receiving information about my investment in the Fund.

Office name

Surname

Given name(s)

Title (Mr/Mrs/Miss/Ms)

Phone (business hours)

Email

Adviser group

Adviser group AFSL

Important notes

This application must not be handed to any person unless the relevant PDS and access to the information incorporated into the PDS 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.

Please note all signatories are required to provide a certified copy of their passport, drivers licence or other identification document(s) considered suitable to Vasco.

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

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

**This is not required in some circumstances.

16. GLOSSARY

Administration Agreement	The agreement between the RE and the Administration Manager dated on or around 12 June 2016 (as amended from time to time), as incorporated via an Administration Agreement Acknowledgement Letter dated 14 February 2018, appointing the Administration Manager as the administrator of the Platform.
Administration Manager	Vasco Funds Management Pty Ltd (ACN 610 512 331) who is the administrator of the Platform pursuant to the Administration Agreement.
AusFunds	AusFunds Investment Management Pty Ltd (ACN 622 998 243) who is the investment manager of the Platform pursuant to the Investment Management Agreement.
Business Day	A day on which Australian banks are open for business in Melbourne.
Cash Class	A Class of Units in the Platform that only holds cash.
Cash Unit	A Unit in the Cash Class.
Class	A class of Units in the Platform.
Conversion Form	The form to complete when applying to convert Cash Unit to Units in a Property Class.
Custodian	AET Corporate Trust Pty Limited.
Custody Agreement	The agreement between the RE and the Custodian dated on or around 14 July 2016, as incorporated via an Inclusion letter for the Platform dated 11 December 2017(as amended from time to time) appointing the Custodian as custodian of the Platform.
D H Flinders	D H Flinders Pty Limited ACN 141 601 596 AFSL 353001.
Fund	The Platform.
Gross Asset Value	Has the same meaning as defined in the Constitution.
Investment Committee	The investment committee of the Investment Manager.
Investment Manager	The investment manager of the Platform, AusFunds.
Investment Management Agreement	The agreement between the RE and AusFunds dated on around 15 February 2018 (as amended from time to time) appointing AusFunds as the investment manager of the Platform.
Minimum Holding Period	A period of 6 months from the time an investor is issued Cash Units which they cannot redeem their Cash Units.
Offer	Offer of Units in the Platform pursuant to this PDS.
Platform	AusFunds Fractional Property Investment Platform.
Property Class	A Class of Units on the Platform that holds a specific property investment.
Property Unit	A Unit in a Property Class.
PDS	This product disclosure statement in respect of the issue of Units in the Platform.
RE	The responsible entity of the Platform, Vasco Investment Managers Limited ACN 138 715 009 AFSL 344486.
SPDS	A supplemental product disclosure statement in respect of an investment opportunity to be held by a Property Class.
Underlying Property	The real property in which the Custodian holds (or may in the future hold) legal title on behalf of the RE (on behalf of the investors).
Units	A Unit in the Platform and includes Units from the Cash Class and the Property Classes.
Vasco	Vasco Investment Managers Limited ACN 138 715 009 AFSL 344486.
Withdrawal Request	A written request by an investor in a form approved by the RE to withdraw Units from the Cash Class.

17. CORPORATE DIRECTORY

RE

**Vasco Investment Managers Limited
(ACN 138 715 009)**

Level 5, 488 Bourke Street
Melbourne, Victoria 3000, Australia

Telephone: +61 3 8352 7120

Facsimile: +61 3 8352 7199

Email: info@vascofm.com

Internet: www.vascofm.com

Administration Manager

**Vasco Funds Management Pty Ltd
(ACN 610 512 331)**

Level 5, 488 Bourke Street
Melbourne, Victoria 3000, Australia

Telephone: +61 3 8352 7120

Facsimile: +61 3 8352 7199

Email: info@vascofm.com

Internet: www.vascofm.com

Investment Manager

**AusFunds Investment Management Pty Ltd
(ACN 622 998 243)**

Level 1, 59 Buckingham Street
Surry Hills, NSW 2010, Australia

PO Box 1282
Strawberry Hills, NSW 2012, Australia

Telephone: +61 2 8318 8300

Facsimile: +61 2 8088 6333

Email: info@ausfunds.com.au

Internet: www.ausfunds.com.au

Custodian

**AET Corporate Trust Pty Limited
(ABN 12 106 424 088)**

The Bond, Level 3
30 Hickson Road
Millers Point, NSW 2000, Australia