



AUSTRALIA CHINA  
INVESTMENT FUND



# ACIF Priority Fund Income Unit Class Information Memorandum

2 August 2019

**Trustee**

Vasco Investment Managers Limited ACN 138 715 009

**Investment Manager**

Australia China Investment Fund Pty Ltd 607 032 655

**Administration Manager**

Vasco Fund Services Pty Limited ACN 610 512 331

## Important Notice

**This information memorandum relates only to the Income Unit Class of the ACIF Priority Fund (Fund).**

**This information memorandum does not relate to any other Classes of the Fund.**

**Information relating to specific Classes are set out in the Information Memorandum and, where relevant, the Supplementary Information Memorandum for each Class.**

This Information Memorandum (**IM**) is dated 2 August 2019.

This IM details the features, benefits, risks and general information about the Income Unit Class of the ACIF Priority Fund (**Fund**).

The Trustee for the Fund and issuer of this IM is Vasco Investment Managers Limited ACN 138 715 009, holder of AFS Licence number 344486 (**Trustee or Issuer**).

The Trustee has appointed Australia China Investment Fund Pty Ltd ACN 607 032 655 (**Investment Manager**) as the investment manager of the Fund.

The Investment Manager is a corporate authorised representative (No. 001234748) of D H Flinders Pty Ltd ACN 141 601 596 AFSL 353001.

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

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

### Glossary

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

### Images

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

### Updated information

Information in this IM may change and may be updated or replaced from time to time. Unless the changed information is materially adverse to the Investors' rights, the Trustee may not always update or replace this IM to reflect the changed information. Updated information regarding this IM may be

made available on the Trustee's website or otherwise by issuance of a replacement or supplementary information memorandum published on the Trustee's website at [www.vascofm.com](http://www.vascofm.com).

### Questions

Any questions regarding this IM should be directed to the Trustee on +61 3 8352 7120 or at [info@vascofm.com](mailto:info@vascofm.com) or at Level 5, 488 Bourke Street, Melbourne, Victoria, 3000, Australia.

### ASIC

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

### Restrictions on distribution

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

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

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

By receiving and viewing this IM, the recipient is warranting that they are legally entitled to do so and the securities laws of their relevant jurisdiction do not prohibit them from acquiring interests in the Fund. Further, the person receiving and viewing this IM from the Issuer warrants that, if they reside in Australia, they are a wholesale client as defined in section 761G of the Corporations Act and, if they reside in Singapore, they are an accredited investor or certain other person prescribed under s305 of the Securities and Futures Act (collectively, "Qualifying Investors").

### Investors from Australia

With respect to Australian jurisdiction, this IM has been prepared on the basis that prospective Investors are wholesale clients or sophisticated investors, not retail clients

(all within the meaning of the Corporations Act). Accordingly, this IM is not a product disclosure statement and does not contain all of the information that would be included in a product disclosure statement issued under the Corporations Act.

## *Investors from Singapore*

With respect to Singaporean jurisdiction, this IM has been prepared on the basis that prospective Investors are also accredited investors or certain other persons prescribed under s305 of the Securities and Futures Act. Accordingly, this scheme is not authorised or recognised by the Monetary Authority of Singapore and Units in this scheme are not allowed to be offered to the retail public.

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

The Issuer and Investment Manager are regulated by the Australian Securities and Investments Commission (ASIC) under the Corporations Act 2001 (Cth). ASIC is located at 120 Collins Street, Melbourne VIC 3000, Australia and can be contacted on 1300 300 630.

## **Investor to undertake own due diligence**

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

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

Whilst the Investment Manager has undertaken due diligence in relation to the Fund and the information which has been presented in this IM, it is possible that due to factors such as the passage of time or the uncertainty in forecast details that the information contained in this IM may be inaccurate at the date of release of the IM or at a later time.

***None of the Trustee, the Investment Manager, or their related parties, officers, employees, consultants, advisers or agents have carried out an independent audit or***

***independently verified any of the information contained in this IM. The Trustee has not sought to verify any statements contained in this IM about the investments proposed by the Investment Manager, the Investment Manager's business or the business of any other parties named in this IM.***

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

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

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

## **Important Warning Statements**

### *No performance guarantee*

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

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

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

An investment in the Fund is subject to investment risks which are described in Section 7 of this IM, including possible delays in repayment and loss of some or all of your income or capital invested. The risks associated with an investment in the Fund are different to a cash deposit or investment in an approved deposit taking institution (ADI).

Prospective Investors should read the whole of this IM before making a decision about whether to invest in the Fund. The information contained in this IM is general information only and not personal financial product advice and therefore does

not take into account the individual objectives, financial situation, needs or circumstances of Investors.

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

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

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

#### *No representation other than this IM*

Except where expressly disclosed, the information contained in the IM has not been independently verified or audited. To the maximum extent permitted by law, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Trustee or Investment Manager and their advisers as to the accuracy or completeness of any part of this IM, nor will they have any responsibility to update or supplement this IM.

No person is authorised to give any information or to make any representation in connection with the Offer of Units in the Fund described in this IM, which is not in this IM. This IM supersedes any prior IM or marketing materials given prior to the issue of the IM to the extent of any inconsistency. Any information or representation in relation to the Offer of Units in the Fund described in this IM not contained in this IM may not be relied upon as having been authorised by the Trustee, the Investment Manager or their advisers.

#### *Forward looking statements*

Certain information contained in this IM constitutes “forward-looking statements” that can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “target”, “intend,” “continue,” or “believe” or the negatives thereof or other variations thereon or comparable terminology.

Furthermore, any projections or other estimates in this IM, including estimates of returns or performance, are “forward-looking statements” and are based upon certain assumptions that may change.

Due to various risks and uncertainties, including those set forth under “Risks” in Section 7, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

The forward looking statements included in this IM involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Trustee and Investment Manager. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, prospective Investors are cautioned to not place undue reliance on such forward looking statements.

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

#### **Confidentiality**

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

#### **Summary of key documents only**

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

#### **Independent financial advice**

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

## Contents

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LETTER TO INVESTOR.....	6
1. KEY FEATURES.....	7
2. EXECUTIVE SUMMARY .....	10
3. WHY INVEST: INCOME UNIT CLASS .....	11
4. INVESTMENT STRUCTURE .....	14
5. MANAGEMENT OF THE FUND .....	17
6. FEES AND COSTS .....	19
7. RISKS .....	21
8. TAXATION INFORMATION .....	27
9. ADDITIONAL INFORMATION.....	29
10. GLOSSARY .....	33
11. APPLICATION FOR UNITS .....	34
SCHEDULE- OFFERING LEGENDS.....	43
CORPORATE DIRECTORY .....	44



## Letter to Investor

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Dear Investor,

On behalf of the investment management team at Australia China Investment Fund Pty Ltd (**ACIF**) it is my pleasure to present to you an opportunity to invest in the Income Unit Class of the ACIF Priority Fund (**Fund**).

ACIF is an Australian based specialist fund manager of boutique funds designed to meet specific client requirements. ACIF is the investment manager of the Fund and is responsible for making investment decisions on behalf of the Fund.

The Income Unit Class is a unit class of the ACIF Priority Fund and aims to provide investors with the opportunity to achieve attractive returns through investing in a range of secured and unsecured real estate related investments including real estate and infrastructure funds, loans to developers, and equity in development projects.

The Fund has an independent Trustee, Vasco Investment Managers Limited (**Vasco**). Vasco is part of an 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 and the \$1.5 billion AIMS Industrial REIT listed on the Singapore Stock Exchange (**SGX**).

I invite you to read through this IM (including Section 7 entitled "Risks") to allow you to make an informed decision before investing in the Fund.

On behalf of ACIF, I look forward to your participation with us in this outstanding investment opportunity.

Regards

**John Wang**

Managing Director

**Australia China Investment Fund Pty Ltd**

## 1. Key Features

The table below is a summary of the key features of an investment in the Fund. It is not intended to be exhaustive, or constitute any guarantee as to the future performance or activities of any Unit Class in the Fund. You must read the whole of this IM to obtain more detailed information before making a decision to invest in the Fund.

Feature	Description	Section
Trustee	Vasco Investment Managers Limited ( <b>Vasco</b> )	5.1
Investment Manager	Australia China Investment Fund Pty Ltd	5.2
Administration Manager	Vasco Fund Services Pty Limited	5.1
Fund name	ACIF Priority Fund	-
Unit classes offered via this Information Memorandum	Income Unit Class	4.1
Qualifying Investors	<p>The Offer is only available to persons who, if they reside in Australia, are a wholesale client as defined in section 761G of the Corporations Act and, if they reside in Singapore, are an accredited investor or certain other person prescribed under section 305 of the Securities and Futures Act.</p> <p>The Trustee has discretion whether to accept an Application.</p>	4.2
Structure	The Fund is an unregistered unit trust established by the Trustee pursuant to the Constitution and is governed by Australian law.	4.1
Investment objective	The Income Unit Class is a unit class of the ACIF Priority Fund that aims to provide investors with the opportunity to achieve attractive returns through investing in a range of secured and unsecured real estate related investments including real estate and infrastructure funds, loans to developers, and equity in development projects.	3.2
Target Return	<p>The targeted return for the Income Unit Class is 9.5% per annum.</p> <p>This return is a target only, and there is no guarantee that it will be achieved.</p>	-
Issue of Units	<p>Units will ordinarily be issued within 10 Business Days of the end of the month in which a completed Application Form and investment monies are received. However, the Trustee may issue Units more frequently in its absolute discretion.</p> <p>Units are expected to be issued at a Unit Price of \$1.00 per Unit, however the Unit price is based on the underlying value of the Fund's assets and is calculated in accordance with the terms of the Trust Deed.</p> <p>The Unit price will be updated on the Trustee's website from time to time.</p>	4.3
Minimum Investment Amount	The Minimum Investment Amount is \$500,000 subject to the Trustee's absolute discretion to accept applications for lesser or greater amounts.	-
Target Fund Size	The target amount of equity to be raised from the issue of Units is \$30 million but the Trustee may determine a greater or lesser amount in its absolute discretion.	-
Minimum Investment term	Investors are required to hold units for a minimum investment term of 2.5 years (30 months) from the date their Units in the Income Unit Class are issued, subject to the Trustee's absolute discretion to reduce or waive the minimum investment term.	-

	After holding units for the minimum investment term, investors may be eligible to participate in withdrawal offers made by the Trustee from time to time, however, the Trustee does not guarantee that a withdrawal offer will be made during the term of the Fund.	
<b>Distributions</b>	<p>Distributions of income (if any) are expected to be paid within 14 days of the end of each calendar quarter, subject to the Trustee's discretion to pay distributions sooner and depending on the speed at which the underlying investments in which the Fund invests pay their distributions and calculate their unit prices.</p> <p>It is generally expected that where distributions are calculated on the last Business Day of each financial year, investors should allow up to 60 Business Days after the date which distributions are calculated to pay distributions to investors.</p> <p>Whilst target returns are expected to be 9.5% per annum after all fees and expenses, returns may vary from year to year and there is no guarantee that these returns will be obtained.</p> <p>Distributions will be on a unit day basis, meaning investors returns will be calculated based on each day they are invested in the Income Unit Class each quarter.</p> <p>The Trustee may retain from amounts available for distribution such amounts as it considers necessary including for reserves, management fees, performance fees, taxes, and expenses of the Fund, which may result in no distributions being made despite surplus cash existing.</p> <p>Pending distribution to Investors, the Trustee may invest in cash and cash equivalents (i.e. acceptable bank deposits) or such other similar creditworthy and liquid investments as determined by the Trustee.</p>	4.6
<b>Withdrawal opportunities for Investors</b>	<p>Due to the nature of the Fund's underlying investments, you should consider an investment in the Fund as an illiquid investment.</p> <p>The Trustee may make withdrawal offers to eligible investors from time to time where there are funds available to do so. However, the Trustee does not guarantee that a withdrawal offer will be made during the term of the Fund.</p> <p>Only investors who have invested for their Minimum Investment Term will be eligible to participate in withdrawal offers.</p>	4.5
<b>Currency hedging</b>	The Fund will not be hedged.	3.7
<b>Trustee fees</b>	<p>The Trustee is entitled to receive an establishment fee of \$5,000 for the establishment of the Income Unit Class and an annual fee for acting as trustee of the Fund.</p> <p>This annual fee, which applies across all unit classes of the Fund, equal to the greater of:</p> <ul style="list-style-type: none"> <li>(a) \$22,500; or</li> <li>(b) 0.10% per annum of the gross asset value of the Fund.</li> </ul> <p>This fee will be paid monthly in arrears by the Investment Manager and will be calculated by multiplying the amount of the Fund's gross asset value by 0.1% per annum, subject to a minimum annual fee.</p> <p>The Trustee is also entitled to a document review and execution fee of \$500 per investment transaction.</p> <p><b>All fees which the Trustee is entitled to be paid shall be paid by the Investment Manager from the fees it receives. Only where the Investment Manager fails to pay the Trustee shall the Trustee be entitled to recover its fees from the Fund.</b></p>	6.1



Administration fees	<p>As at the date of this IM, the Trustee is entitled to receive a fee of up to \$57,927 (plus GST) per annum for undertaking the administration of the Fund, including processing of applications, fund registry, fund accounting and attending to the lodgement of regulatory returns.</p> <p>For any additional unit class created in the future, the annual Administration fee will increase by an additional fee of \$10,000 per annum per additional unit class.</p> <p>This annual Administration fee will be increased by 3% per annum on 1 January of each year.</p> <p>The administration fees for the Fund will be apportioned pro-rata across all unit classes based on the respective GAV of each unit class.</p> <p><b>All fees and expenses to which the Trustee is entitled to be paid shall be paid by the Investment Manager from the fees it receives. Only where the Investment Manager fails to pay the Trustee shall the Trustee be entitled to recover its fees from the Fund.</b></p>	6.1
Investment Manager fees in relation to the Income Unit Class	<p>The Investment Manager shall be entitled to an Investment Management Fee of 1% per annum of the gross asset value of the Income Assets, calculated and paid quarterly in arrears out of the assets of the Income Unit Class.</p> <p>In addition, the Investment Manager shall be entitled to a Performance Fee of any net return for the Income Unit Class in excess of 9.5% per annum after payment of all fees and expenses and any previous under-performance. The Performance Fee is payable upon a quarterly basis.</p> <p>The Investment Manager is also expected to receive from borrowers or underlying managed funds or projects in which the Fund invests a loan establishment fee or an upfront referral fee of up to 4.5% (plus GST) of any loans advanced or investments made by the Fund. This fee is to cover costs incurred by the Investment Manager in establishing the Income Unit Class, raising capital in the Income Unit Class and in arranging suitable investments.</p>	6.1
Fund currency	Australian Dollars (AUD)	-
Gearing	The Fund will not have any borrowings.	3.6

## 2. Executive Summary

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### 2.1 Overview

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

Various unit classes will be available for investment from time to time offering investors access to real estate and or infrastructure investments. The different unit classes of the Fund may have different rights to income, capital and distributions and may carry different fees.

***This information memorandum sets out the details of and the rights attaching to an investment in the Income Unit Class of the Fund. Should you wish to receive information on the other unit classes of the Fund please contact the Trustee or Investment Manager.***

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

### 2.2 Key Features of the Fund

The Fund offers Investors:

- i) an investment and management team with a proven track record in financing, real estate investment management and funds management; and
- ii) an opportunity to invest in high return/medium risk real estate investment opportunities.

### 2.3 Structure of the Fund

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

- i) The Fund is a unit trust established under, and governed by, Australian law.
- ii) The Income Unit Class will be operated as an open-end unit class with an anticipated term of up to 9 years, which may be extended by the Trustee in its absolute discretion.
- iii) The Trustee of the Fund is Vasco Investment Managers Limited, an Australian company limited by shares. The Trustee is the holder of an AFSL and is regulated by ASIC. The Trustee is an experienced trustee and manager of wholesale unit trust schemes that invest in real estate and infrastructure assets.
- iv) The Trustee has appointed Australia China Investment Fund Pty Ltd, an experienced manager of real estate and real estate financing investments as Investment Manager of the Fund.

### 3. Details of the Income Unit Class

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#### 3.1 Unit Class Overview

The Fund has been established to allow Investors the opportunity to participate in an investment vehicle that will invest in a range of real estate and infrastructure investments.

#### 3.2 Investment Objective and Strategy

Returns will be generated via making loans or making other real estate related investments including:

- (i) direct real estate investments;
- (ii) loans to property developers;
- (iii) acquisition of equity in development projects;
- (iv) acquisition of interests in real estate funds.
- (v) acquisition of mortgage backed interests in infrastructure funds

Loans may be secured or unsecured. Returns to the Fund will be dependent on the success of the investments the Fund makes in development projects and the success of those developments because if the development is unsuccessful, the expected returns to the Fund may not be realized and in the case of loans made to a developer, the developer may not be able to repay the loan amount and pay the interest charged on the loan or pay returns to Investors from the investment.

#### 3.3 Current Portfolio of the Income Unit Class

As of the date of this Information Memorandum, the Income Unit Class has exclusively invested \$7,060,000 in Redeemable Preference Units in the ICAM Duxton STC Land Trust to finance a port development and expansion project in Lucky Bay on South Australia's Eyre Peninsula.

It is anticipated that the Income Unit Class will soon also invest in Redeemable Preference Units in the ICAM ACIF Land Trust to finance the development and expansion of coastal land in Wallaroo, South Australia into a specialist bulk grain exporting port facility using transshipment technology.

The Investment Manager may expand this portfolio of investments as further suitable investment opportunities are identified.

#### 3.4 Why invest in the Australian real estate market?

With a total land area of 7.69 million square kilometres, Australia is the world's largest island. The continent makes up 3700 kilometres from north to south and 4000 kilometres from east to west. Australia is the world's sixth largest nation by area.<sup>1</sup>

Despite its large land area, Australia is one of the most urbanised countries in the world with most of its population living in cities. Australia has a total of 3 cities that sit in the ten most liveable cities as per The Global

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<sup>1</sup> Australian Government, Geoscience Australia, 'Australia's size compared' <<https://www.ga.gov.au/scientific-topics/national-location-information/dimensions/australias-size-compared#heading-1>>

Liveability Index 2018 report by The Economist Intelligence Unit. In this recent report, Melbourne was ranked the world's second most liveable city in 2017 with Sydney in fifth place, followed by Adelaide in tenth place.<sup>2</sup>

As at 31 December 2018, Australia's population was approximately 25.2 million with an annual population growth rate of approximately 1.6%.<sup>3</sup>

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

### **3.5 Investment Restrictions**

Investments will be restricted to residential, commercial or infrastructure real estate assets or loans related to such assets, which may be secured or unsecured.

### **3.6 Borrowings**

The Income Unit Class will not have any borrowings, however the funds in which the Income Unit Class invests may use gearing as part of their investment strategy.

### **3.7 Currency hedging**

The Income Unit Class will not itself have direct foreign currency exposure, however, the underlying funds in which the Income Unit Class invests may use hedging strategies as part of their investment strategy.

### **3.8 Investment Process**

The Investment Manager has committed to implement a stringent, systematic and documented process for all investment decisions made by the Fund in respect of the Income Unit Class. The key steps in the investment process is summarised as follows:

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

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<sup>2</sup> The Economist Intelligence Unit, 'The Global Liveability Index 2018' <[https://pages.eiu.com/rs/753-RIQ-438/images/The\\_Global\\_Liveability\\_Index\\_2018.pdf](https://pages.eiu.com/rs/753-RIQ-438/images/The_Global_Liveability_Index_2018.pdf)>

<sup>3</sup> Australian Bureau of Statistics, '3101.0 - Australian Demographic Statistics, Dec 2018' (20 June 2019) <<https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/3101.0>>

- After the investment has been entered into the Investment Manager will wherever possible work closely with the Developer to enhance the value of the Investment.

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

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

### **3.9 Valuation Policy**

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

## 4. Investment Structure

### 4.1 Investment Structure

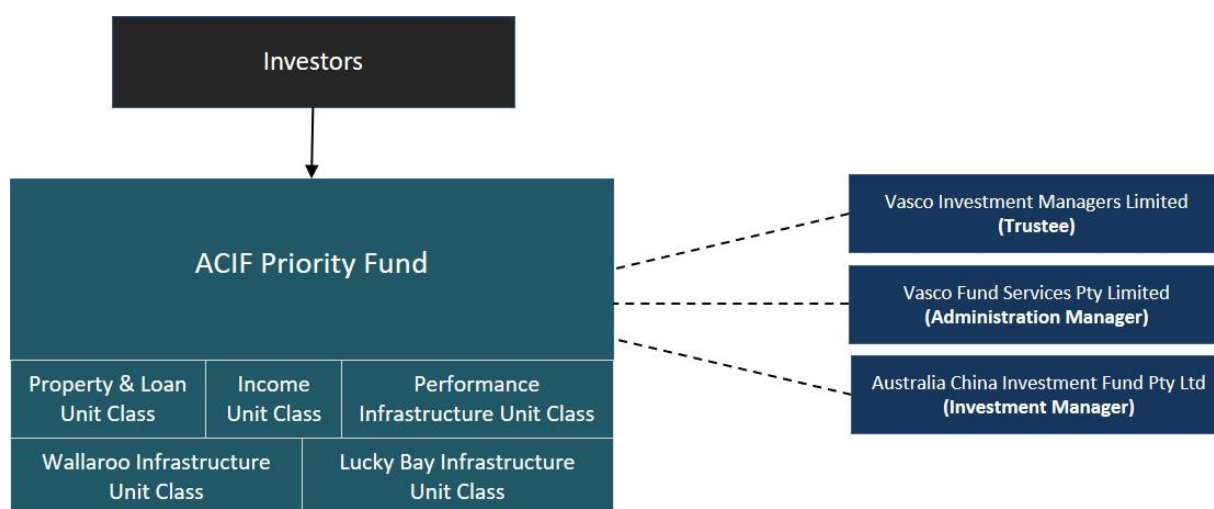
The Fund is an unlisted unregistered managed investment scheme structured as a unit trust. There is no intention to register the Fund with ASIC or to list the Fund on a secondary market such as the ASX.

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

Various unit classes will be available for investment from time to time offering investors access to real estate and or infrastructure investments. The different unit classes of the Fund may have different rights to income, capital and distributions and may carry different fees.

***This information memorandum sets out the details of and the rights attaching to an investment in the Income Unit Class of the Fund. Should you wish to receive information on the other unit classes of the Fund please contact the Trustee or Investment Manager.***

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



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

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

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

The Trustee of the Fund has also appointed the Administration Manager pursuant to an Administration Agreement. The Administration Manager is responsible for, among other things, processing application forms,



conducting AML/CTF checks on behalf of the Trustee, managing the Fund's accounts and sending out distribution statements. Section 5 contains a profile of each of the parties involved in the management of the Fund.

## 4.2 Qualifying Investors

This Offer is generally only available to wholesale clients within the meaning of the Corporations Act 2001. A wholesale client means an Investor who:

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

It is also intended that the Fund will be registered as a Restricted Scheme in Singapore which will provide opportunities for Investors from Singapore to invest provided they are 'accredited investors' or certain other person prescribed under section 305 of the Securities and Futures Act.

The Trustee has the discretion to accept applications from persons other than those described above provided these persons are otherwise permitted by law to participate in the Offer.

The Trustee reserves the right to reject an application without providing a reason.

## 4.3 Issue of Units

Units will be issued using the Unit Price calculated as at the last day of the month in which a completed Application and the investment amount are received and are issued at the start of the following month. Units are expected to be issued within 10 Business Days of the end of the month in which a completed Application and the investment amount are received.

Further detail about applying for Units in the Fund is outlined in section 11.

## 4.4 Unit Price

We intend to issue Units at \$1.00, however the Unit price is based on the underlying value of the Fund's assets and is calculated in accordance with the terms of the Trust Deed.

The withdrawal price for a Unit is also based on the underlying value of the Fund's assets. This price may be different from the price originally paid for the Unit as the Fund's assets are re-valued. Further detail about the Fund's valuation policy is outlined in section 3.9.

The Unit price will be updated on the Trustee's website from time to time.

## 4.5 Withdrawal Rights

Due to the nature of the underlying investments of the Income Unit Class, you should consider an investment in the Income Unit Class as an illiquid investment and you will have no right to withdraw other than in accordance with a withdrawal offer issued by the Trustee.

The Trustee intends to make withdrawal offers to eligible investors who have served their minimum investment term from funds which are available at the time. Withdrawal offers will be published on the Trustee's website and communicated to you via electronic mail.

The nature of the Fund means it is not possible to predict with any certainty when those withdrawal offers will be made.

If the Trustee makes a withdrawal offer, then Investors wanting to take advantage of the offer must complete a Withdrawal Request Form. Where there are insufficient funds to satisfy all Withdrawal Requests received in response to a withdrawal offer, Withdrawal Requests will be satisfied on a pro-rata basis.

It is possible that the Trustee will not make a withdrawal offer during the term of the Fund and you will therefore not be able to withdraw your investment in the Fund until the Trustee winds up the Fund.

Under the terms of the Trust Deed, in certain situations, the Trustee is able to, amongst other things, suspend all redemptions or compulsorily redeem Investors where it believes that doing so is in the best interests of Investors in the Fund as a whole.

## 4.6 Distributions

Distributions of income (if any) are expected to be paid within 14 days of the end of each calendar quarter, subject to the Trustee's discretion to pay distributions sooner and depending on the speed at which the underlying investments in which the Fund invests pay their distributions and calculate their unit prices.

It is generally expected that where distributions are calculated on the last Business Day of each financial year, investors should allow up to 60 Business Days after the date which distributions are calculated to pay distributions to investors.

Whilst target returns are expected to be 9.5% per annum after all fees and expenses, returns may vary from year to year and there is no guarantee that these returns will be obtained.

Distributions will be calculated on a cents per unit day basis.

The Trustee may retain from amounts available for distribution such amounts as it considers necessary including for reserves, management fees, performance fees, taxes, and expenses of the Fund, which may result in no distributions being made despite surplus cash existing.

Pending distribution to Investors, the Trustee may invest in cash and cash equivalents (i.e. acceptable bank deposits) or such other similar creditworthy and liquid investments as determined by the Trustee.

The Trustee reserves the right to make distributions more frequently in its absolute discretion.

The Trustee may also decide not to distribute amounts which it reasonably considers necessary required to meet any outgoings or liabilities (actual or contingent) in respect of the Fund including any amounts required for tax withholdings. Taxes paid or withheld that are allocable to one or more Investors will be deemed to have been distributed to such Investors for the purposes of determining the above calculations.

## 5. Management of the Fund

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### 5.1 The Trustee and Administration Manager

Vasco Investment Managers Limited (**Trustee**) and Vasco Fund Services Pty Limited (**Administration Manager**) are part of an investment management and services group (**Vasco**) 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 Industrial REIT listed on the Singapore Securities Exchange.

The directors of Vasco were responsible for establishing the real estate funds management businesses of Australian Unity Funds Management Limited and MacarthurCook Limited.

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, Phillip Asset Management Limited and Morgan Stanley Real Estate.

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

### 5.2 The Investment Manager

The Investment Manager of the Fund is Australia China Investment Fund Pty Ltd.

ACIF was formed to bring together a team with business and investment expertise and experience in both China and Australia for the benefit of Investors wanting to invest in Australia and take advantage of the Special Investment Visa program. All board members of ACIF are highly qualified and have considerable experience in a wide range of business and investment areas. In addition, the board has an extensive network of specialist advisers in the real estate and construction industries.

ACIF also acts as investment manager for the ACIF Prosperity Fund, Australia China Investment Fund, ACIF Balancing Fund, and ACIF Emerging Companies Fund.

ACIF's directors are as follows:

- **John Wang**

John is the Managing Director of the Investment Manager and holds a Master of Laws from the University of Sydney and a Bachelor of Laws from Peking University.

John has over 32 years' experience in international investment, business and immigration services. With expertise in investment and law, John identifies business and investment opportunities for investors and migrants to Australia and assists overseas investors with their legal requirements

- **James Forbes**

James Forbes is a Managing Partner of Australia China Investment Fund Pty Ltd, and a Director and Board Member of ICAM Duxton No 1 Pty Ltd and ICAM ACIF No 2 Pty Ltd.

James has a wide range of experience in national engineering business both in Australia and China and is prominent in the product development and investment management space for Australian projects including infrastructure, property, agriculture, selective breeding of livestock and business acquisition. He has a detailed understanding of effective investment strategies suited to China, with almost 20 years of experience in that space.

James currently chairs SCI Investments, Hunt Boilers, ME-001-11 Australian Standards Development Technical Committee, and is a Director of the Investment Manager; and is a member on a range of Investment Committees.

Various funds managed by Australia China Investment Fund Pty Ltd may invest in funds managed by ICAM Duxton No 1 Pty Ltd and ICAM ACIF No 2 Pty Ltd.

- **Kazmer Ujvari**

Kazmer (Kaz) Ujvari is a Director of Australia China Investment Fund Pty Ltd. Kaz has a wide range of experience in law with a background in both business and commercial law, together with general compliance requirements. He has a detailed understanding of, and has provided advice to business owners on, a wide range of issues, including contracts, agreements and leases and immigration with a substantial client list from China.

Combining his expertise in law and migration, Kaz has assisted many migrants to obtain their Australian permanent residency as well as with navigating the legal requirements of their diverse Australian businesses.

Kaz currently provides advice on compliance matters and is a Director of the Investment Manager. He is also a member of a range of Investment Committees associated with various funds managed by Australia China Investment Fund Pty Ltd.

## 6. Fees and Costs

### 6.1 Fund fees and costs

The table below sets out the fees and costs (excluding GST unless otherwise stated) that the Fund may be charged.

Type	Amount	How and when paid
<b>Fund Fees</b>		
Fees and costs paid by the Fund		
<b>Investment Management Fee</b>	The Investment Manager shall be entitled to an <b>Investment Management Fee</b> of 1% per annum of the gross asset value of the Income Assets.	Calculated and paid to the Investment Manager quarterly in arrears out of the gross assets of the Income Unit Class.
<b>Performance Fee</b>	In addition to the Investment Management Fee details above, the Investment Manager shall be entitled to a <b>Performance Fee</b> of any net return for the Income Unit Class in excess of 9.5% per annum after payment of all fees and expenses and any previous under-performance.	Paid to the Investment Manager on a quarterly basis.
<b>Trustee fees**</b>	The Trustee is entitled to a once off <b>Establishment Fee</b> of \$5,000	Paid to the Trustee on commencement of the Income Unit Class
	The Trustee is entitled to an <b>Annual Fee</b> for acting as trustee of the Fund. This annual fee will be equal to the greater of:  (a) \$22,500; or  (b) 0.10% per annum of the gross asset value of the Fund.	Paid monthly in arrears by the Investment Manager and will be calculated by multiplying the amount of the Fund's gross asset value by 0.1% per annum, subject to a minimum annual fee.  The trustee fee will be apportioned pro-rata across all unit classes based on the respective GAV of each unit class.
<b>Document review and execution fee**</b>	The Trustee is entitled to a <b>Document review and execution fee</b> of \$500 for the review and execution of documents associated with each particular investment that the Fund makes.  If there are multiple documents for an acquisition (acquisition agreement, borrowing agreement etc.) only one fee is paid.	Paid to the Trustee as and when incurred

Type	Amount	How and when paid
<b>Administration fee**</b>	<p>As at the date of this IM, the Trustee is entitled to an annual <b>Administration fee</b> of up to \$57,927 (plus GST) per annum for providing all of the administration services to the Fund, including processing of applications, fund registry, fund accounting and attending to the lodgement of regulatory returns.</p> <p>For any additional unit class created in the future, the annual Administration fee will increase by an additional fee of \$10,000 per annum per additional unit class.</p> <p>The Administration fee is subject to an annual increase of 3% per annum on 1 January.</p>	<p>Paid monthly in arrears by the Investment Manager to the Trustee from the date of first issue of units in the Income Unit Class.</p> <p>The administration fee will be apportioned pro-rata across all unit classes based on the respective GAV of each unit class.</p>
<b>Expenses**</b>	<p>The Trustee or relevant party appointed by the Trustee is entitled to be paid or reimbursed for expenses associated with establishing and the operation of the Fund.</p> <p><b>See Section 6.2 for more information.</b></p>	<p>Paid to the Trustee or relevant party appointed by the Trustee as and when incurred</p>

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

## 6.2 Expenses

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

## 6.3 Changes to fees and other costs

The Trustee may change the above fees and expenses charged to Investors by giving at least 30 days written notice to Investors, subject to any fee limits in the Trust Deed. The Trustee may agree with any Investor any fee arrangements with that Investor which are different to the fees set out above.

## 6.4 Goods and services tax

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

## 6.5 Waiver

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



## 7. Risks

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

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

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

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

### 7.1 Manager Risk

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

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

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

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

### 7.2 Legal, Regulatory and Compliance Risk

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

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

## 7.3 Income Risk

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

## 7.4 Diversification Risk

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

The offer under this IM is to subscribe for Units in the Income Unit Class. Investors' returns are therefore wholly dependent on the performance of the Income Unit Class and its investment in the Income Assets.

## 7.5 Liquidity Risk

The Fund is an illiquid investment.

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

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

## 7.6 Tax Risk

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

## 7.7 Infrastructure Specific Investment Risks

There are a number of risks to investing in infrastructure as such investments can be subject to economic sensitivities. In particular, development projects are subject to higher construction risks and risks associated with demand uncertainty compared to mature assets.

## 7.8 General Investment Risks

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

The performance of any individual investments in general may be affected by many factors, including:

- Consumer and business confidence;
- Inflation;
- Interest rates;
- Taxation;
- Changes in law;

- A change in Government.

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

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

### **7.9 Property Risk**

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

### **7.10 Performance and Portfolio Risks**

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

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

### **7.11 Development Risk**

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

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

### **7.12 Operating History**

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

### **7.13 Debt Investments**

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

### **7.14 Return of Capital**

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

### **7.15 Fees and expenses**

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

### **7.16 Currency Risk**

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

### **7.17 Thinly-Capitalised Management**

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

## **7.18 Cyber Security Risk**

Investors should be aware that while the Trustee has implemented technologies, processes, and practices designed to protect its networks, devices, programs, and data (or Information Technology Systems) such Information Technology Systems may still be subjected to malicious attack, damage, or unauthorized access.

Such Information Technology Systems may include the storage of information concerning an Investor's identity, financial interests or other personal details provided to the Trustee in connection with their investment in the Fund.

In the event serious harm is a likely outcome of a breach of the Trustee's Information Technology Systems, the Trustee or Investment Manager (as may be required) will notify the affected individuals and recommend steps that ought to be taken in response to the breach. The Trustee may also be required to notify any regulatory authority as required by law.

## **7.19 Conflicts of Interest Risks**

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

Various funds managed by Australia China Investment Fund Pty Ltd may invest in funds managed by ICAM Duxton No 1 Pty Ltd and ICAM ACIF No 2 Pty Ltd. James Forbes is a director of Australia China Investment Fund Pty Ltd, ICAM Duxton No 1 Pty Ltd and ICAM ACIF No 2 Pty Ltd.

## **7.20 Financial Forecasts risk**

This IM contains some forward-looking statements and prospective financial forecasts. These are estimates and are based on a number of assumptions. While such forward looking information is based on the best estimates and reasonable assumptions of the Trustee, the Trustee does not guarantee that such estimates, assumptions or forecasts will occur and potential Investors should understand that the actual financial performance of the Fund may be different from that forecast to occur in this IM.

## **7.21 Insurance Risk**

While the Trustee remains confident of arranging proper insurance cover for the risks associated with ownership of the Assets, there is no certainty that such insurance will cover, or will be adequate to cover, the consequences of adverse events.

## **7.22 Legal and Regulatory Risk**

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

## **7.23 Other Risks**

It is important to note that not all risks can be foreseen. It is therefore not possible for the Trustee or the Investment Manager to protect the value of the Fund's investment from all risks. Investors should ensure they obtain appropriate professional advice regarding the suitability of an investment in the Fund having regard to

their individual circumstances, including investment objectives, their level of borrowings, their financial situation and individual needs.

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

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



## 8. Taxation Information

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

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

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

### 8.2 Australian GST

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

### 8.3 Foreign Account Tax Compliance Act

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

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

### 8.4 Common Reporting Standards (CRS)

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

### 8.5 Withholding Tax

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

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

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

Depending upon the composition of the income received from investments made by the Fund, the Fund may be required to pay a higher rate of withholding tax than at present. Where withholding tax applies, the maximum rate of withholding on payments from the Fund could be up to 32.5%. Should this occur, the Trustee will have discretion under the terms of issue for Units in the Income Unit Class to adjust the income returns of Investors in order to ensure that existing members of the Fund are not disadvantaged.

## 9. Additional Information

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### 9.1 Summary of material documents

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

- Constitution and terms of issue of Income Units
- Investment Management Agreement
- Administration Agreement
- Corporate Authorised Representative Agreement

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

#### 9.1.1 *Constitution and terms of Income Units*

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

Every Unit in the Income Unit Class confers an equal and undivided interest in the Income Assets as a whole. They do not confer an interest in any particular part of the Fund or in any particular Fund asset, including in any particular Income Asset.

Subject to the Constitution and the terms of issue of the Income Unit Class, as an Investor you have the following rights:

- The right to share in any distributions of that class
- The right to attend and vote at meetings of Investors.
- The right to participate in the proceeds of winding up of the Fund.
- The Constitution contains provisions about convening and conducting meetings of Investors.

The Trustee can amend the Constitution without Investors' approval provided it reasonably considers the change will not materially affect Investors' rights. The Constitution can also be amended by a special resolution passed by Investors.

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

The terms of issue of the Income Unit Class set out additional rights for Investors.

All expenses attributable to Units in the Income Unit Class will be paid out of the distributions from the units in the Income Unit Class. Likewise, for the purpose of the Constitution, distributable income for Units in the Income Unit Class will be paid out of distributions from the Income Assets.

#### 9.1.2 *Investment Management Agreement*

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

The Investment Management Agreement sets out the Investment Manager's obligations to the Trustee and to the Fund. The agreement also contains the arrangements in relation to the Fees and Costs that are summarised in Section 6.

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

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

### *9.1.3 Administration Agreement*

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

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

### *9.1.4 Corporate Authorised Representative Agreement*

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

The Investment Manager's authorisation is limited to its role as Investment Manager of the Fund and other funds of which Vasco Investment Managers Limited, or its related entities, are trustee and does not extend to any other business that the Investment Manager conducts, or services that the Investment Manager provides. As the authorisation only relates to wholesale funds investors do not have access to the Australian Financial Complaints Authority (AFCA) from a dispute resolution perspective.

## **9.2 Related party transactions**

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

Various funds managed by Australia China Investment Fund Pty Ltd may invest in funds managed by ICAM Duxton No 1 Pty Ltd and ICAM ACIF No 2 Pty Ltd.

James Forbes is a director of Australia China Investment Fund Pty Ltd, ICAM Duxton No 1 Pty Ltd and ICAM ACIF No 2 Pty Ltd.

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

### **9.3 Privacy**

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

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

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

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

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

### **9.4 Anti-money laundering law**

The Trustee is required to comply with the AML/CTF Law. This means that the Trustee will require potential Investors to provide personal information and documentation in relation to their identity when they invest in the Fund. The Trustee may need to obtain additional information and documentation from Investors to process applications or subsequent transactions or at other times during the period of the investment.

The Trustee may need to identify:

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

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

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

### **9.5 Foreign Account Tax Compliance Act (FATCA)**

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in assets through non-US entities. If you are a US resident for tax purposes, you should note that the Fund is or is expected to be a ‘Foreign Financial Institution’ under FATCA and it intends to comply with its FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund will have to obtain and disclose information about certain Investors to the

Australian Taxation Office (ATO). In order for the Fund to comply with its obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (TIN). We will only use such information for this purpose from the date the Fund is required to do so.

## 9.6 Consents

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

- Australia China Investment Fund Pty Ltd
- Vasco Fund Services Pty Limited
- D H Flinders Pty Ltd



## 10. Glossary

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

<b>Accredited Investor</b>	An 'accredited investor' as defined in the Singaporean Securities and Futures Act.
<b>AFSL</b>	Australian financial services licence.
<b>AML/CTF</b>	Anti-money laundering and counter-terrorism financing.
<b>Applicant</b>	A person or entity who submits an Application Form.
<b>Application Form</b>	An application form that is attached to this Information Memorandum.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	Australian Securities Exchange.
<b>Constitution</b>	The constitution establishing the Fund, dated 1 April 2016.
<b>Corporations Act</b>	The Corporations Act 2001 (Cth).
<b>Fund</b>	ACIF Priority Fund.
<b>GST</b>	Goods and Services Tax.
<b>Information Memorandum or IM</b>	This information memorandum.
<b>Income Assets</b>	Assets in the Fund that are attributable to the Income Unit Class being the assets in which the available capital raised from the issue of Units in the Income Unit Class is invested.
<b>Income Unit Class</b>	The unit class known as Income Units, the terms of which are set out in the terms of issue dated 30 January 2018.
<b>Investment Manager</b>	Australia China Investment Fund Pty Ltd (ACN 607 032 655).
<b>Investment Management Agreement</b>	The agreement between the Trustee and Investment Manager that governs the rights and obligations of the Investment Manager.
<b>Investor</b>	A holder of a unit in the Income Unit Class of the Fund.
<b>Offer</b>	The offer of investment in the Fund under this Information Memorandum.
<b>SFA</b>	Securities and Futures Act (Singapore, cap 289).
<b>Sophisticated investor</b>	A 'sophisticated investor' as defined in section 761GA of the Corporations Act.
<b>Trustee</b>	Vasco Investment Managers Limited (ACN 138 715 009).
<b>Unit</b>	A unit in the Fund.
<b>Unitholder</b>	A holder of Units.
<b>Vasco</b>	The Vasco investment management group of companies, of which the Trustee and Administration Manager are member companies.
<b>Wholesale investor</b>	A 'wholesale client' as defined in section 761G of the Corporations Act.

## 11. Application for Units

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

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

If the Application for Units is not completed correctly or if the payment of the application monies is for the wrong amount, it may still be treated as a valid Application at the sole discretion of the Trustee. However, where the payment is for less than the number of Units applied for, the Application will be deemed to be for the lower number of Units.

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

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

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

All application money payments should be made as follows:

**1. By cheque:**

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

**2. By electronic transfer:**

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

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

## Application Form

### ACIF Priority Fund

### Income Units



Use this application form if you wish to invest in:

### ACIF Priority Fund

### Income Units

The Information Memorandum (IM) for the Income Unit Class of the ACIF Priority Fund, dated 2 August 2019, includes information about purchasing Income Units (Units) in the Fund. Any person who gives another person access to the application form must also give the person access to the IM and any incorporated information. You should read the IM and any incorporated information before completing this application form.

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

## Customer identification

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

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

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

## Important Information for Financial Advisers

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

If you are a financial adviser who has identified and verified the investor, by completing this Customer Identification Form together with Section 11 and 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 for identifying new investors
- you agree to retain a copy of the completed forms and all identification documents received from the investor in the investor's file for seven (7) years after the end of your relationship with the investor
- you agree to advise Vasco in writing when your relationship with the investor is terminated and agree to promptly provide Vasco all identification documents and/or the record of identification received from the investor at this time, or as otherwise requested from Vasco, from time to time.

## Contact details

Mail your completed application form and identity verification documents to:

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

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

## Checklist

Before sending us your application please ensure you have:

- ☐ completed this form in full;
- ☐ for new investments, completed the relevant 'Customer Identification Form' available on our website [www.vascofm.com](http://www.vascofm.com);
- ☐ if paying via direct debit, completed section 9 ensuring ALL bank account signatories have signed;
- ☐ if paying via cheque, ensure cheque is made payable to 'Vasco Investment Managers Limited ATF ACIF Priority Fund' and attach it to this application form; and
- ☐ read the declaration and provided all relevant signatures.



#### 4. Contact details

This is the address where all correspondence will be sent.

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

#### 5. Tax information

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

##### 5a. Individual investor or entity

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

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

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

##### 5c. Non-residents

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

<input type="text"/>																			
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#### 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 'Vasco Investment Managers Limited ATF ACIF Priority Fund'.

Fund name	Initial investment
ACIF Priority Fund - Income Units	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>

The minimum initial investment is \$500,000.

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

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

##### Direct Credit / EFT Instructions

Alternatively you can direct credit your application funds to:  
Vasco Investment Managers Limited ATF ACIF Priority Fund  
Macquarie Bank  
BSB 182 512  
Account number 963 985 593  
Swift Code - MACQAU2SXXX  
Please note the applicants name when transferring the funds.  
Please ensure all funds transferred are net of all bank charges.

## 7. Annual report

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

## 8. Eligible Investor Qualification

In order to participate in the Offer you must be an Eligible Investor. Please complete this section so that the Trustee can determine whether you are eligible to participate in the Offer. Investors from Singapore must also provide a Singapore Accredited Investor Certificate available from the Trustee.

## Part 1 – Investor category

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

**(a) Sophisticated Investor**

Applicant 1      Applicant 2  
(if joint application)

<input type="checkbox"/>	<input type="checkbox"/>	I am applying for \$500,000 or more worth of Units (please continue to Section 9).
<input type="checkbox"/>	<input type="checkbox"/>	I have net assets of at least \$2.5 million (please arrange for a Qualified Accountant to complete Part 2 of Section 8 of this Application Form).
<input type="checkbox"/>	<input type="checkbox"/>	I have earned at least \$250,000 per annum gross income for each of the last two financial years (please arrange for a Qualified Accountant to complete Part 2 of Section 8 of this Application Form).

(b) Professional Investor

Applicant 1      Applicant 2  
(if joint application)

☐ ☐ I have or control gross assets of at least \$10 million (please arrange for a Qualified Accountant to complete Part 2 of Section 8 of this Application Form).

☐ ☐ I hold Australian Financial Services Licence No. (please provide AFSL no.)

## Part 2 – To be completed by a Qualified Accountant

Insert full name and address of Qualified Accountant

[illegible]

## 8. Eligible Investor Qualification (continued)

### Declaration by Qualified Accountant

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

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

#### Option 1

Applicant 1      Applicant 2  
(if joint  
application)

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

- ☐      ☐      net assets of at least \$2.5 million; or
- ☐      ☐      a gross income for each of the last two financial years of at least \$250,000 a year.

#### Option 2

Applicant 1      Applicant 2  
(if joint  
application)

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

- ☐      ☐      net assets of at least \$2.5 million; or
- ☐      ☐      a gross income for each of the last two financial years of at least \$250,000 a year.

#### Option 3

Applicant 1      Applicant 2  
(if joint  
application)

- ☐      ☐      For the purposes of section 761G(7)(d) of the Corporations Act, the Applicant controls gross assets of at least \$10 million (including any amount held by an associate or under trust that the Applicant manages).

Signature of Qualified  
Accountant

Date   /   /

## 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

Branch

Account name

Branch number (BSB)

   -   

Account number

Swift code (for Accounts  
held outside of Australia)

## 10. Declaration and applicant(s) signature(s)

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

I/We declare that:

- all details in this application and all documents provided are true and correct and I/we indemnify the Trustee of the Fund against any liabilities whatsoever arising from acting on any of the details or any future details provided by me/us in connection with this application;
- I/we have received a copy of the current IM and all information incorporated into the IM to which this application applies and have read them and agree to the terms contained in them and to be bound by the provisions of the current IM (including the incorporated information) and current constitution (each as amended from time to time);
- I/we have legal power to invest in accordance with this application and have complied with all applicable laws in making this application;
- I/we have received and accepted this offer in Australia or Singapore;
- the details of my/our investment can be provided to the adviser group or adviser named at the end of this form or nominated by them by the means and in the format that they direct;
- if this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it);
- sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the company;
- 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 headings 'Privacy' in the relevant IM. I am/We are aware that until I/we inform Vasco otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading and I/we have consented to my/our financial adviser providing such further personal information to Vasco as is required or reasonably deemed necessary by Vasco under applicable law;
- I/we understand that if I/we fail to provide any information requested in this application form or do not agree to any of the possible use or disclosure of my/our information as detailed on the IM, my/our application may not be accepted by Vasco and we agree to release and indemnify Vasco in respect of any loss or liability arising from its inability to accept an application due to inadequate or incorrect details having been provided;
- I/we acknowledge that none of Vasco, or any other member of Vasco or any custodian or investment manager, guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution;
- I/we are bound by the Constitution and that an application for Units is binding and irrevocable;
- I/we have not relied on statements or representations made by anybody, other than those made in the IM;
- I/we agree and acknowledge no cooling off period applies and I/we have had the opportunity to seek independent professional advice on subscribing for Units;
- I/we agree 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, the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS)) 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 IM 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;
- I/we acknowledge that the Fund is not currently registered with the Australian Securities and Investments Commission, but may be at some future point in time. By investing in the Fund, I/we consent to the Fund being registered at some future point should the Trustee consider it appropriate. I/we also consent to registration taking place without the Trustee holding a meeting of Investors to approve the application for registration.

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;
- I/we are a "wholesale client" for the purposes of section 761G of the Corporations Act and, if residing in Singapore, an "accredited investor" or certain other person prescribed under s305 of the Securities and Futures Act and relevant information has been provided to confirm this and by investing in this Fund I/we will not cause any breach of the Corporations Act by or for Vasco;
- if the Applicant is a SMSF, it is compliant and investing in this Fund complies with the Superannuation Industry Supervision Act 1993 (Cth); and
- I/we hold the appropriate authorisations to become an Investor in the Fund and that offer cannot be revoked.



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

Refer to list of signatories on page 42 of this application form.

### Investor 1 / Signatory 1

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

### Investor 2 (joint investors) / Signatory 2

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

### 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.

**PLEASE NOTE:** All signatories must provide certified copies of their drivers license or passport in addition to any identification documents required by the Customer Identification Form required for the Investor.

## 11. Adviser use only

By submitting this form with this section completed by your advisor you consent to your advisor receiving information about your investment in the Fund.

Office name	<div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>	
Surname	<div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>	
Given name(s)	<div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>	
Title (Mr/Mrs/Miss/Ms)	<div></div> <div></div> <div></div> <div></div>	
Phone (business hours)	<div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>	
Advisor group email	<div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>	
Advisor group name	<div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>	
Adviser group AFSL	<div></div> <div></div> <div></div> <div></div> <div></div>	
Adviser Signature	<div></div>	<div>ADVISER STAMP</div>
Date	<div></div> / <div></div> / <div></div> <div></div>	

### Important notes

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

## Signatories

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

Type of investor	Names required	Signature required	TFN/ABN to be provided
<b>Individual and/or joint investors</b>	i. Full name of each investor (please do not use initials).	Individual investor's; or each joint investor's	Individual investor's; or each joint investor's
<b>Sole trader</b>	i. Full name of sole trader; and ii. Full business name (if any).	Sole trader's	Sole trader's
<b>Australian or foreign company</b>	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
<b>Trust/Superannuation fund</b> If you are investing on behalf of a superannuation fund, we will assume the superannuation fund to be a complying fund under the Superannuation Industry (Supervision) Act.	i. Full trust/superannuation fund name (e.g. Michael Smith Pty Ltd ATF Michael Smith Pty Ltd Super Fund); and ii. Full name of the trustee(s) in respect of the trust/super fund. 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
<b>Account designation</b>	Name of the responsible adult, as the investor.	Adult(s) investing on behalf of the person/minor	Adult(s)
<b>If the investment is being made under Power of Attorney (POA)</b> Please ensure an original certified copy of the POA is attached to the application form. Each page of the POA must be certified.	i. Full name of each investor(s) (as listed in section 3); and ii. Full name of person holding POA (underneath signature).	Person holding Power of Attorney <b>In the case that the POA document does not contain a sample of the POA's (i.e. Attorney's) signature, please provide a certified copy of either the POA's driver's licence or passport containing a sample of their signature.</b>	Individual investor's; or each joint investor's

\* 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.

## Schedule- Offering Legends

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

### **AUSTRALIA**

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

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

### **SINGAPORE**

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

### **CHINA**

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

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