ACIF Priority Fund – Wallaroo Infrastructure Unit Class
Supplementary Information Memorandum

AUSTRALIA CHINA INVESTMENT FUND

1 October 2021

IMPORTANT INFORMATION

This supplementary information memorandum dated 1 October 2021 ("**Supplementary IM**") supplements the Information Memorandum for the ACIF Priority Fund – Wallaroo Infrastructure Unit Class ("**Fund**") dated 7 May 2020 ("**IM**") and issued by Vasco Trustees Limited ACN 138 715 009 AFSL 344486 ("**Vasco**").

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

A number of defined terms are used in this Supplementary IM, the meaning of these terms is explained in section 11 (**Definitions**) of the IM.

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

This Supplementary IM sets out the following important changes to the IM:

1. Change of Trustee

Due to an internal restructure within the Vasco group of companies, the trustee of the Fund changed from Vasco Trustees Limited to Vasco Custodians Pty Ltd effective 1 June 2021 and located at the following address:

Vasco Custodians Pty Ltd

Level 4, 99 William Street

Melbourne VIC 3000 Australia

Vasco Custodians Pty Ltd is a corporate authorised representative (No. 001283924) of D H Flinders Pty Ltd ACN 141 601 596 AFSL 353001. The issue of interests in the Fund will be arranged by Vasco Trustees Limited under an intermediary agreement with Vasco Custodians Pty Ltd under section 911A(2)(b) of the Corporations Act. Vasco Custodians Pty Ltd will only issue interests in the Fund in response to an acceptance of an offer.

Accordingly, from 1 June 2021, any references to the Trustee of the Fund in the IM should be read as references to Vasco Custodians Pty Ltd.

2. Close Date

According to the IM the anticipated close date of the Fund was 30 June 2020 ("**Close Date**").

According to the IM,

> *"The Trustee reserves the right to close the Offer earlier if the Total Offer Amount, or such other satisfactory amount as decided by the Trustee, has been raised. Additionally, the Trustee reserves the right to extend the Close Date."*

At the request of the Investment Manager, Vasco has decided to extend the Close Date to 31 December 2022.

Accordingly, any references to the Close Date should be read to mean 31 December 2022.

Vasco continues to reserve the right to close the Offer earlier if the Total Offer Amount, or such other satisfactory amount as decided by Vasco, has been raised. Vasco also reserves the right to extend the Close Date beyond 31 December 2022.

3. Investment into the ICAM ACIF Land Trust

The Investment Manager has given the following update of the underlying investment of the Fund, the investment in the ICAM ACIF Land Trust. The ICAM ACIF Land Trust is managed by Inheritance Capital Asset Management Ltd ('ICAM') and invests in the development, expansion and construction of a special purpose shallow water port on land situated at Wallaroo, South Australia, ('the Wallaroo Port').

Since the IM of the ICAM ACIF Land Trust was released in May 2019, the development of the Wallaroo Port has been significantly impacted by the rapid onset of COVID-19, which from the end of the first quarter in 2020 saw the deterioration and disruption in the general private capital markets.

COVID-19 has resulted in a range of lockdowns in Australia on a state-by-state basis and globally has significantly slowed investment activity outside of our various Australian government stimulus initiatives.

The disruption in private capital markets necessitated a deferment of the Wallaroo Port's anticipated commencement for the 2020/21 grain harvest season to now a program to export the first grain from Wallaroo commencing from late 2022/early 2023.

The deferment in the project has extended the construction program to get to operational readiness. The table below provides a revised high-level indicative timeline for the Wallaroo Port (from equity closure to operations):

Item	Target Completion	Estimated Timing	Comment
Equity Raise	Sep-22	12 months	Equity capital raise targeting $34.0M.
Port Regulatory Approvals	Oct-21	4 months	The key regulatory requirement is to obtain the Section D131 approval required to proceed with development.
Shoreside Port Construction (Silos)	Oct-22	16 months	Wallaroo Port construction prior to operations.
Grain Receival (Bunkers)	Oct-22	16 months	Receive first grain at Bunkers.
Causeway Construction	Dec-22	18 months	Potential to export first grain from Wallaroo Port from December 2022, however export could commence in early 2023.

The deferment in the project and design revisions to the port export facility have seen some changes to the projected funding requirements of the underlying investment of the Fund as summarised in the table below.

Capital Funding				
$'M	*Original IM*	*Supplementary IM and Deed of Amendment*	*Invested to-date*	*Investment Required*
Senior debt	20.0	15.8	15.8	Zero
Subordinated debt	10.0	22.0	22.0	Zero
Equity	35.0	48.4	14.4	34.0
Total	65.0	86.2	52.2	34.0

The primary drivers of the increased project cost include:

- A re-design of the 550m rock armoured causeway to a L-shaped configuration to give improved protection for vessel operations against the prevailing southwest wind direction.
- Electrical power upgrade required to operate the facility using mains supply.
- Increased price of raw materials due to COVID impacts, including the domestic building growth.
- The deferred construction program has increased the cost of servicing the senior and subordinated debt.
- The deferred construction program has also increased the operating costs incurred during the period before operations.

The deferred construction program has resulted in an increase in the equity requirement for the Wallaroo Port project. Accordingly, the Trustee is targeting a raise of $34.0M in equity under this Supplementary IM, in order for it to increase its investment in the ICAM ACIF Land Trust. The Trustee may decide, in its sole discretion, to raise a higher or lower equity capital amount.

Investor Acknowledgement

I/we confirm that I/we have read the Supplementary Information Memorandum dated 1 October 2021 for the ACIF Priority Fund – Wallaroo Infrastructure Unit Class and accept the updated terms on which my/our investment is made.

Name of Investor: _____

Signed: _____ Date: _____

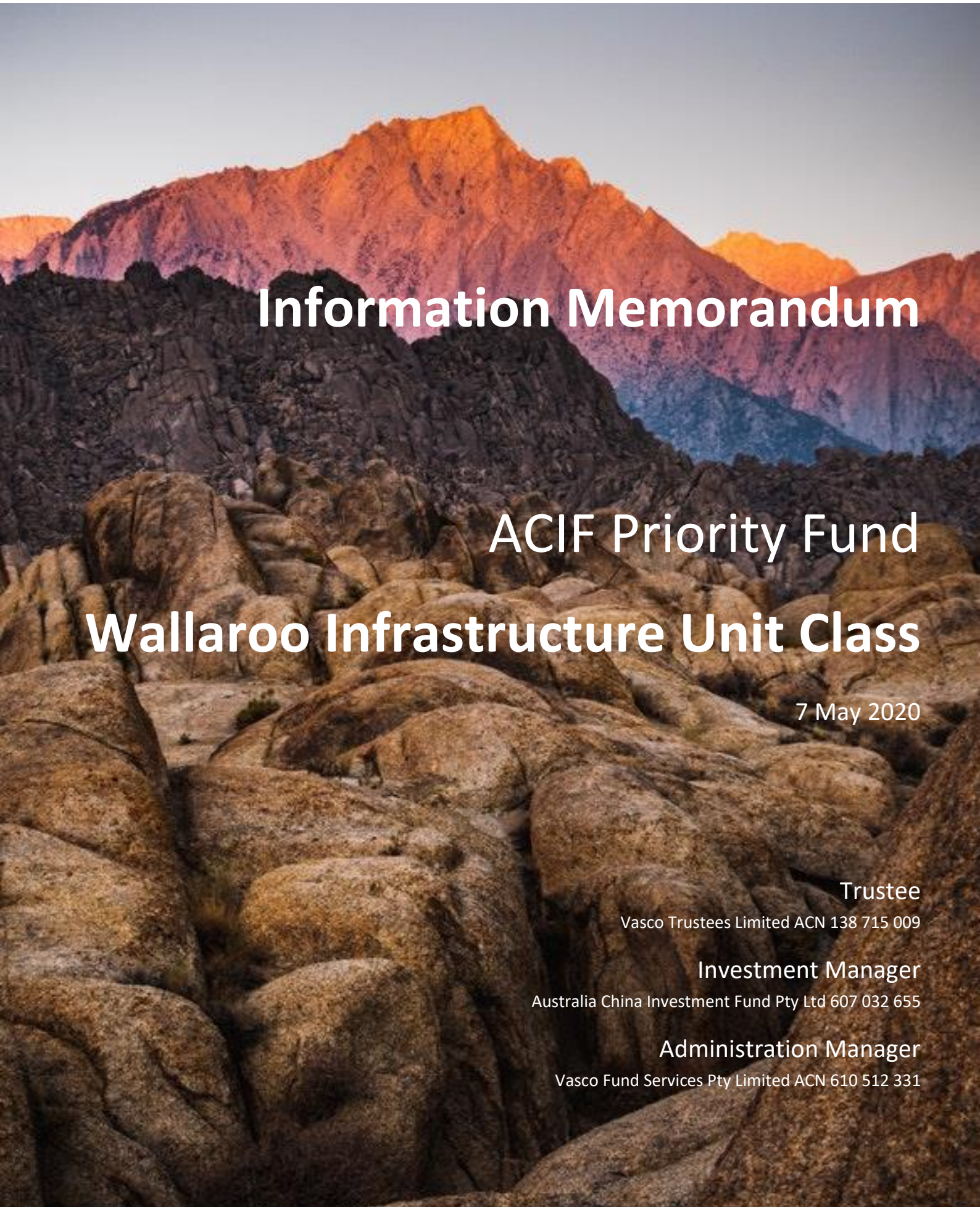
Name: _____ Capacity: _____

(*If a joint or corporate investor)*

Signed: _____ Date: _____

Name: _____ Capacity: _____

AUSTRALIA CHINA
INVESTMENT FUND



Information Memorandum

ACIF Priority Fund

Wallaroo Infrastructure Unit Class

7 May 2020

Trustee

Vasco Trustees 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 Wallaroo Infrastructure 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 7 May 2020.

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

The trustee for the Fund and issuer of this IM is Vasco Trustees 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.

Questions

Any questions regarding this IM should be directed to the Trustee on +61 3 8352 7120 or at 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 8 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 8, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

The forward looking statements included in this IM involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Trustee and 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.

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Letter to Investor

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 Wallaroo Infrastructure 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 Wallaroo Infrastructure Unit Class will invest exclusively in the ICAM ACIF Lucky Bay 2 Trust (**ICAM Lucky Bay Trust**). The investment strategy of the Wallaroo Infrastructure Unit Class aims to generate attractive income and capital growth returns through its investment in the ICAM Lucky Bay Trust.

The Fund has an independent Trustee, Vasco Trustees 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 AMP Capital Industrial REIT listed on the Singapore Stock Exchange (**SGX**).

I invite you to read through this IM (including Section 8 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 Wallaroo Infrastructure Unit Class of the ACIF Priority Fund. It is not intended to be exhaustive. You must read the whole of this IM to obtain more detailed information before making a decision to invest in the Fund. Any fees and costs disclosed below are exclusive of GST unless otherwise stated.

Trustee	Vasco Trustees Limited (**Vasco**)
Investment Manager	Australia China Investment Fund Pty Ltd
Administration manager	Vasco Fund Services Pty Limited
Fund name	ACIF Priority Fund
Unit class offered via this Information Memorandum	Wallaroo Infrastructure Unit Class
Eligibility to Invest	Investors in the Fund must be wholesale clients, as that term is defined in the Corporations Act. The Trustee has discretion whether to accept an Application. Existing investors will have priority to make an additional investment over new investors to the Fund.
Structure	The Fund is an unregistered unit trust established by the Trustee pursuant to the Constitution and is governed by Australian law.
Unit classes	The Trustee may issue different classes of units for different projects. The different unit classes may have different rights and obligations including the amount of any distribution.
Investment objective	The Wallaroo Infrastructure Unit Class is a unit class of the ACIF Priority Fund that aims to provide Investors with high return/medium risk infrastructure and property development investment opportunities.
Target investment	The Trustee will acquire units in the ICAM ACIF Lucky Bay 2 Trust (**ICAM Lucky Bay Trust** or **Trust**). The ICAM Lucky Bay Trust will acquire and develop the Assets.
Issue of Units	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. Units are expected to be issued at a Unit Price of $1.00 per Unit for Applications received up to the Close Date.

Close Date	30 June 2020 The Trustee reserves the right to close the Offer earlier if the Total Offer Amount, or such other satisfactory amount as decided by the Trustee, has been raised. Additionally, the Trustee reserves the right to extend the Close Date.
Minimum Investment	$500,000.
Investment Period	Anticipated to be within 3 months of receipt of an investment.
Investment Term	It is anticipated that ICAM Lucky Bay Trust will seek to sell its investments in 5 to 7 years. ACIF Priority Fund Wallaroo Infrastructure Units will be redeemed following the receipt of proceeds from the redemption of its investment in ICAM Lucky Bay Trust.
Total Offer amount	$35 million. Should applications exceed the amount that the Investment Manager is seeking to raise the Trustee has the right to scale back applications.
Use of funds	To acquire units in the ICAM Lucky Bay Trust.
Targeted return	The Wallaroo Infrastructure Unit Class is aiming to provide Investors a return of income and capital growth that will give an IRR of over 15% per annum over the period of the investment.
Currency hedging	The Fund will not be hedged.
Trustee fees	The Trustee is entitled to receive an establishment fee of $5,000 for the establishment of the Wallaroo Infrastructure Unit Class and an annual fee for acting as trustee of the Fund. This annual fee, which applies across all unit classes of the Fund, will be equal to the greater of: (a) $22,500; or (b) 0.10% per annum of the gross asset value of the Fund. This fee will be paid monthly in arrears 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 fees for the Fund will be apportioned pro-rata across all unit classes based on the respective GAV of each unit class. The Trustee is also entitled to a Document review and execution fee of $500 for the review and execution of documents associated with each particular investment that the Fund makes. If there are multiple documents for an acquisition (acquisition agreement, borrowing agreement etc.) only one fee is paid. **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.**

Administration fees	As at the date of this IM, the Administration Manager is entitled to receive an annual fee of up to $59,665 (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. 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. This annual Administration fee will be increased by 3% per annum on an annual basis. The administration fees for the Fund will be apportioned pro-rata across all unit classes based on the respective GAV of each unit class. **All fees and expenses to which the Administration Manager 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 Administration Manager shall the Administration Manager be entitled to recover its fees from the Fund.**

Investment Manager fees	The Fund will pay the Investment Manager the following fees:
	
	• An initial fee of 4.2% (inclusive of GST) of each application amount in year 1, which is paid within 60 days of the acceptance of an application by the Trustee
	
	• For the balance of the investment:
	
	  ◦ in any given financial year where the realised return of income and/or capital does not exceed 10% of the annual average Contributed Capital held by the Fund that year* the Investment Manager will charge a fee of 2% of the annual average Contributed Capital
	
	  ◦ in any given financial year where the realised return of income and/or capital does exceed 10% of the annual average Contributed Capital held by the Fund that year*, the Investment Manager will calculate and charge a fee on an annual basis equal to 20% of the realised return
	
	***Please note this calculation is based on the average value of Contributed Capital and not the value of the Fund's asset which may change from time to time. Contributed Capital means application monies that have been invested in the Fund for greater than 12 months. The under or over performance of the Fund in any one year is not factored in the return calculation in any subsequent years.**

Distribution policy	The Trustee expects to receive distributions of income from holding units in the ICAM Lucky Bay Trust annually, in arrears, commencing after the 2020/21 grain harvest season and will distribute income to Investors on an "as received" basis.
Expected capital growth	The Assets are expected to give rise to a substantial capital gain upon realisation through either a sale of the Assets or an IPO of the units in the ICAM Lucky Bay Trust.
Fund currency	Australian Dollars (AUD)
Gearing	The Fund will not have any borrowings
Exit strategy	The Fund is expected to give rise to a substantial capital gain upon realisation by the ICAM Lucky Bay Trust of the underlying Assets

2. Executive Summary

2.1 Overview

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

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

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

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

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

2.2 Key Features of the Fund

The Fund offers Investors:

i) an investment and a management team with a proven track record in financing, real estate investment management and funds management; and

ii) an opportunity to invest in a high return/medium risk infrastructure project.

2.3 Structure of the Fund

The Fund structure is as follows (also see Section 5):

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

ii) The Wallaroo Infrastructure Unit Class will be operated as a closed-end unit class with an anticipated term of up to 7 years, which may be extended by the Trustee.

iii) The trustee of the Fund is Vasco Trustees 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.

2.4 Investment Objective and Strategy

The Trustee is seeking to raise $35 million to acquire units in the ICAM Lucky Bay Trust.

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

2.5 Investment Opportunity

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

- The Wallaroo Port Facility, strategically located in the Yorke Peninsula grain catchment area
- On port grain storage and handling facilities, including 32,000 tonnes of storage in four 8,000 tonne fumigable silo bin units; and
- Upcountry bunker storage with capacity to hold 260,000 tonnes of grain in close proximity to Wallaroo.

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

3. Investment Strategy of the ICAM Lucky Bay Trust

The information in this Section 3 has been extracted from the information memorandum in relation to the ICAM Lucky Bay Trust dated 10 May 2019. Any reference to Trustee in this section means the trustee of the ICAM Lucky Bay Trust and any reference to trust means the ICAM Lucky Bay Trust. Further details in relation to the ICAM Lucky Bay Trust are available from that trust's information memorandum or the trustee of the ICAM Lucky Bay Trust.

3.1 Wallaroo Port Operations

The investment strategy will focus on the development of the Port at Wallaroo for the bulk storage, handling and export of grain from the North, Mid North and Yorke Peninsula grain districts in South Australia. Project development is expected to be completed in November 2020 with the Wallaroo Port commencing grain export operations in the 2020/21 grain harvest season. T-Ports is targeting circa 500,000 tonnes per annum of throughput from grain growers in the Yorke Peninsula over the next five years. T-Ports will continue to develop relationships with grain growers in the North, Mid North and Yorke Peninsula grain districts over the investment holding period to secure additional regular grain throughput. Following the Project being fully financed, and the Port assets developed, the focus will turn to maximising operational revenue and efficiency.

3.2 Wallaroo Port Development Strategy

The tables below outline the anticipated capital sources and capital expenditure required for the Project's development (including Working Capital and contingencies). Investors should note that as the debt raising has not yet occurred, these capital sources may change as the Project development occurs.

Construction Sources of Cash (AUD M)

Capital Sources Table	$m
Senior debt	20.0
Subordinate debt	10.0
Equity	35.0
Total	**65.0**

Construction Uses of Cash (AUD M)

Construction Costs	$m
Land and Port Construction	12.9
Port Silo Storage and Equipment	18.2
Bunker Storage Area	10.2
EPCM & Contingencies	10.3
Establishment Fees + Costs	1.3
Operation Costs During Construction	1.7
T-Ports Development Charge	3.3
Management Fee	0.8
Interest During Construction	2.3
Financing Fees	2.8
DSRA: Initial Funding	1.1
Total	**65.0**

3.3 Capital Investment Required

A detailed schedule of equipment and anticipated costings associated with this additional infrastructure is provided on the previous page.

The ICAM ACIF Lucky Bay 2 Trust intends to commit this capital over the next 18 months, with the first years' development comprising the port/groyne development and all storage and handling equipment required to be operational utilising a silo system with 32,000 tonne capacity. Additionally, grain bunker storage facilities of 260,000 tonnes will be developed.

The Port will not be capacity constrained in its grain export activities as the infrastructure will be capable of exporting greater than 2m tonnes of grain per annum. The tables above break down the sources and uses of funds and assume that $35m is raised in equity under this IM. The precise use of these funds will depend on final commercial diligence of the revenue opportunity and associated capex and opex funding requirements.

The Trustee and T-Ports intend to implement the above development plans. However, there is no certainty that any development opportunities may eventuate, as any development will be subject to various factors, including:

- required consent or approval by the parties involved;
- available funding (which may require additional equity raising or debt funding);

- available resources;
- regulatory and planning approvals; and
- general economic conditions.

3.4 Construction and Operational Timeline

The table below provides a high-level indicative timeline for the Wallaroo Port (from equity closure to operations):

Item	Target Completion	Estimated Timing	Comment
Debt Capital Raise	May-20	12 months	Senior debt capital raise of circa $20m and subordinated debt capital raise of circa $10m. Subordinated debt will be raised alongside the equity raise and terms and covenants will be negotiated with our senior financier.
Equity Raise	May-20	12 months	Equity capital raise targeting $35m.
Post Regulatory Approvals	Oct-19	6 months	The key regulatory requirement is to obtain the Section 49 approval required to proceed with development. T-Ports anticipate that the regulatory approval process will be streamlined for the Wallaroo Port due to previous collaboration with the Department of Planning, Transport and Infrastructure (DPTI).
Port Construction	Oct-20	18 months	Wallaroo Port construction prior to operations, Construction will begin after finalisation of development approvals.
Grain Receival (Bunkers)	Oct-20	15 months	Receive first grain at upcountry bunker storage with capacity to hold 260,000 tonnes of grain in close proximity to Wallaroo.
Grain Export	Nov-20	18 months	Export first grain from Wallaroo Port.

Investors should note that the above timetable has been forecast on a range of assumptions, including that all equity and debt finance will be raised within 12 months, development approvals will be received within six months (in each case from May 2019) and that the construction timeline will be 12 months from the date of completion of the development approvals. Whilst the Trustee considers these assumptions on timelines to be reasonable, Investors should be aware that as the Project is a greenfields project, there is a risk that some or all of these assumptions prove to be incorrect or that the construction timetable is otherwise delayed. A delay in the overall construction and operations commencement timetable is a risk that investors should take into account, as such delays may affect overall returns for investors through, for example, increased cost of funds, construction and financing budget increases and delayed revenue streams (including the risk that the 2020/21 grain harvest season is missed as a result of such delays, resulting in delayed revenue and delayed distribution returns to Investors).

3.5 Exit strategy

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

An exit is likely to occur in conjunction with the Lucky Bay Port assets and may involve: an initial public offer and listing; a potential sale to an institutional infrastructure fund, superannuation fund or similar entity; or a refinancing of equity through a capital raising and redemption offer.

The IDPIT (which owns T-Ports and the Lucky Bay Port) holds a market priced call option to purchase the Wallaroo Port from the Trust as well as rights of first and last refusal over the Wallaroo Port (and associated holding structures). Accordingly, there is a real likelihood that an exit of the Wallaroo investment will occur in conjunction with an exit by the IDPIT of its Lucky Bay assets. That exit may occur in less than the five year holding period noted above (but is not guaranteed).

The Trust cannot dispose of an interest in the Port or related assets without first notifying IDPIT. If IDPIT does not exercise its market priced call option within 12 months after that notice, the Trust has 12 months to sell on-market. However, IDPIT has a first and last right of refusal in relation to that sale process. The call option does not apply prior to the end of the first year of Port operations, unless being exercised in conjunction with a full sale of IDPIT's Assets to a third party.

4. Why Invest: Market Overview

The information in this Section 4 has been extracted from the Information Memorandum dated 10 May 2019 in relation to the ICAM Lucky Bay Trust.

4.1 Why Invest in Infrastructure?

Infrastructure assets provide fundamental services that generate productivity and facilitate economic growth. As an asset class, infrastructure encompasses a wide range of industries that are critical to Australia's social and economic well-being.[1]

Infrastructure assets typically demonstrate the following characteristics:

- Long duration: Infrastructure assets typically have a lifespan greater than 30 years;[2]
- Barriers to Entry: Due to the high establishment costs, infrastructure often presents significant barriers to entry;[3]
- Low Operational Costs: The ongoing operational costs of infrastructure are typically low; and[4]
- Stable Demand: Infrastructure assets typically provide basic services, resulting in demand stability that is more resistant to business cycles.[5]

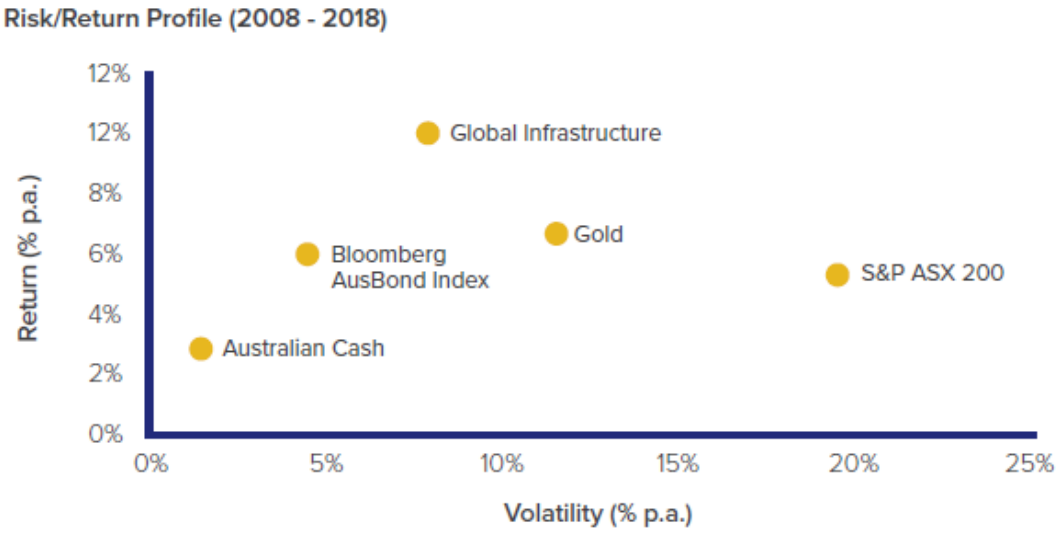
As a result of these characteristics, infrastructure assets present an attractive investment opportunity.

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

- Relatively low correlation of returns with traditional asset classes, thereby providing diversification benefits to an investor's portfolio;[6]
- An investment that has historically outperformed traditional assets classes such as equities and bonds;[7]
- Relatively low volatility of returns compared with traditional asset classes such as equities and bonds;[8] and
- Relatively stable long-term yields, with the potential for capital growth.[9]

[1] Clean Energy Finance Corporation, 2018, Investing in Australia's Infrastructure Sector.
[2] ASX, 2016, 6 reasons why infrastructure is becoming popular.
[3] Ibid.
[4] Ibid.
[5] Goldman Sachs, 2016, Building a Case for Global Infrastructure.
[6] AMP Capital, 2014, Understanding Infrastructure.
[7] Data sourced from: Bloomberg, RBA, Market Index, Atchison Consultants; calculations undertaken by the Investment Manager.
[8] AMP Capital, 2014, Understanding Infrastructure.
[9] Ibid.

Asset Class (2008 – 2018)	Returns (p.a.)	Volatility (p.a.)	Sharpe Ratio[10]
Australian Unlisted Infrastructure[11]	10.1%	7.8%	1.1
Equities[12]	5.4%	19.5%	0.2
Bonds[13]	6.0%	4.4%	0.9
Gold[14]	6.9%	11.5%	1.0
Cash[15]	3.0%	1.4%	0.8%



4.2 Why Invest in Port Infrastructure?

Port infrastructure is considered to be a "patronage asset", otherwise known as a demand-based asset. The performance of a patronage asset is dependent on how much the service it provides is used: the more people that use the port, the better it performs.[16]

In the case of the ICAM ACIF Lucky Bay 2 Trust, the performance of the Port facilities will be closely linked to agricultural production in the Yorke Peninsula. As such, Port performance will be directly related to the underlying drivers of this production, such as weather, productivity, yields and input costs. For example, in years with exceptional agronomic conditions, it would be expected that grain growers would produce greater yields and hence need to export higher volumes of grain through the Wallaroo Port.

[10] Sharpe Ratio is a measure of an asset's risk adjusted return. A Sharpe Ratio greater than 0.5 is desired.
[11] FTSE Russell, 2019 Factsheet, FTSE Infrastructure Index Series.
[12] S&P/ASX 200 Accumulation Index. This index incorporates both capital and income returns.
[13] Bloomberg AusBond Index.
[14] ABC Bullion.
[15] RBA, Target Cash Rate.
[16] AMP Capital, 2014, Understanding Infrastructure.

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

This toll incorporates intake, handling, transhipment and wharfage charges and it is generally quoted on a dollar per tonne ($/t) basis.[17] Generally, the ongoing costs of port infrastructure assets incorporate port management fees (including operational labour costs) and maintenance costs. In the case of the ICAM ACIF Lucky Bay 2 Trust, T-Ports is able to build a port at a lower cost than traditional deep-water ports because of the transhipment technology, making the financial feasibility more attractive. Five of the world's top ten transhipment ports are also considered to be among the world's 10 busiest ports. By 2012, global transhipment ports had doubled the amount of all TEUs handled by ports.[18] Furthermore, privately owned and operated ports tend to have significant commercial relationships with users which allows them to enhance efficiencies.[19]

4.2.1 Social Impact of Port Infrastructure

Globalisation and ongoing economic growth have supported the demand for port infrastructure. Global trade has steadily grown since the 1950s and, as nation states become more interdependent, international trade is expected to increase. Such growth is likely to occur irrespective of the recent imposition of trade barriers by the United States and, in retaliation, China.

It has been estimated that between 2019 – 2023 exports and imports are expected to grow at a faster rate than the anticipated GDP growth of 2.14% p.a. The IMF anticipates Australian export volumes will increase by 41% over this period (or 5.4% p.a.), whereas import volumes will increase at a relatively lower rate of 33.7% (or 4.7% p.a.).[20]

Whilst port infrastructure is initially capital intensive, the assets have historically been associated with a wide range of positive economic impacts. Ports are often considered to be funnels to economic development, acting as a catalyst for specific sector development nearby or along supply chain corridors. Historically, port throughput has been positively related to local/domestic employment growth in port regions (the higher the throughput the more employment).[21] This is because the labour used in the port usually comes from the local community. Studies have shown that for each direct case of port employment, three to four indirect jobs are created in the community.[22]

Furthermore, privately owned ports usually have larger regional employment impacts than public ports.[23] It has been estimated that the Australian port sector employs approximately 35,000 people.[24]

[17] Ibid.
[18] Australian Government, 2018, Inquiry into National Freight and Supply Chain Priorities.
[19] ACCC, 2016, Ports: What measure of regulation.
[20] Houston Kemp Economists, 2019, Containerised trade trends and implications for Australian Ports.
[21] Rodrigue and Schulman, 2017, The Economic Impacts of Port Investments.
[22] Ibid. Figures vary depending on the survey and the context.
[23] Ibid.
[24] The Australian, 2017, Australia's Ports Special Survey.

4.3 Why Invest in Australian Ports?

Australia is dependent on efficient port infrastructure for its trade with the rest of the world.[25] Over 90% of Australia's exports rely on sea transport, with Australian seagoing imports and exports contributing $400b to the Australian economy (or 25% of GDP).[26] Whilst Australia only contributes 1.3% of global trade by value, in 2017 we exported US $40b of agricultural products, making Australia the eighth largest agricultural product exporter in the world.[27] Significant growth in Australia's international and domestic trade is expected over the next ten years.[28] Furthermore, the Bureau of Infrastructure, Transport and Regional Economics is estimating that over the coming two decades, sea trade will double.[29]

Domestic and international freight volumes have been growing rapidly. Total Australian seaborne trade has grown at an annual rate of 2.8%,[30] and Australian bulk cargo exports have increased 114% over the previous decade.[31] Australia's growth in bulk cargo exports is directly related to the country's strong trade relationships with Asia. The Asian region represents 10 of Australia's top 12 export markets. As the Asian region continues to grow, and the demand for Australian commodities increases, this trend is expected to accelerate.[32]

Efficient port infrastructure is expected to underscore the future growth of the Australian agricultural industry and help to take advantage of this growing trade with Asia.[33] The ICAM ACIF Lucky Bay 2 Trust is well placed to capitalise on this by innovating upon the traditional port model in South Australia. Australia's port infrastructure has not yet reached its potential in terms of efficiency.[34]

Whilst growth in Australian freight volumes has been rapid, an increasing portion of this freight has been transported by road and rail, as opposed to sea. This has resulted in congestion and bottle-necks in Australian freight routes.[35]

Furthermore, the Productivity Commission has estimated that average transport costs represent approximately 20% of producers' costs.[36] Ports generate significant benefits to the Australian economy through assisting in the provision of essential services that support the sustainability and growth of all economic sectors. In order to improve efficiencies, reduce costs for producers and take advantage of growing international trade, Australian ports and freight supply chains will need to explore innovative solutions to eliminate congestion and disrupt the monopolistic structure of some existing supply chains. The ICAM ACIF Lucky Bay 2 Trust is well placed to capitalise on this.

[25] Australian Trade and Investment Commission, 2016, Investment opportunities in Australian Infrastructure.
[26] Australian Government, 2018, Inquiry into National Freight and Supply Chain Priorities.
[27] Houston Kemp Economists, 2019, Containerised trade trends and implications for Australian Ports.
[28] Infrastructure Australia, 2016.
[29] The Bureau of Infrastructure, 2016, Transport and Regional.
[30] Houston Kemp Economists, 2019, Containerised trade trends and implications for Australian Ports.
[31] Ports Australia, 2017, "Trade Statistics", Australian Ports Industry.
[32] Australian Trade and Investment Commission, 2016, Investment Opportunities in Australian Infrastructure.
[33] The Australian, 2017, Australia's Ports Special Survey.
[34] Ibid.
[35] Ibid.
[36] Ibid.

4.3.1 Recent Australian Port Sales

Over the past nine years, a number of Australian ports have been privatised, including Port Botany, Port Kembla and the Port of Newcastle. The key metrics of the recent Australian port deals are outlined below.[37] *Note that a number of these ports are large, diversified, containerised ports and hence should not be referenced for exact comparisons to what the Wallaroo Port can achieve – they are provided for general background only.*

Port	Year of Sale	Vendor	Sale Price (AUD mil)	EBITDA Multiple	Lease (Years)
Port of Melbourne	2016	Victorian Government	$9,700	25	50
Port of Darwin	2015	NT Government	$506	25	99
Port Botany	2013	NSW Government	$4,310	25	99
Port Kembla	2013	NSW Government	$760	25	99
Port of Newcastle	2014	NSW Government	$1,750	28	98
Port of Brisbane	2010	Queensland Government	$2,300	27	99

Port Infrastructure EV/EBITDA Multiple	FY 2015
Median	25.0x
Average	26.0x
ICAM ACIF Lucky Bay 2 Trust Assumed Exit Multiple	**12.5x**

4.4 Why Wallaroo Port?

The Wallaroo Port is expected to disrupt the monopolistic supply chain[38] for grain exports in South Australia and initiate a paradigm shift in the traditional port model in the region by delivering a lower build and operating cost port to product, rather than bringing the product to a traditional higher build and operating cost deep-water port.

Viterra, a subsidiary of Glencore, owns and operates the vast majority of port terminal service providers (PTSP) in South Australia, with sites located in Port Lincoln, Wallaroo, Port Giles and Port Adelaide. In South Australia, port capacity utilisation declined in 2017-18, with Glencore's export market share decreasing from 42% in 2016-17 to 35% in 2017-18.[39]

[37] PwC, 2016.
[38] Viterra exported the majority (91%) of bulk grain from SA in 2017-18 from its port facilities at Port Adelaide (inner), Port Adelaide (outer), Port Giles, Wallaroo, Port Lincoln, and Thevenard. A recent Australian Competition and Consumer Commission Bulk Wheat Ports Monitoring Report, examining the years 2017-18, noted that a number of stakeholders had commented on Viterra's dominant position, the limited competition at the port level and indicated that further infrastructure competition could be of benefit to growers in South Australia. Available at: https://www.accc.gov.au/system/files/1466_Bulk%20 grain%20ports_FA.pdf.
[39] ACCC, 2017-18, Bulk Grain Ports Monitoring Report.

The ICAM ACIF Lucky Bay 2 Trust demonstrates key attributes that make it an attractive infrastructure investment. The Trust is expected to provide investors with:

- A combination of capital growth and stable distributions driven by stable revenue streams;
- Reduced volatility, through aligning interests of grain growers in the region with equity investment opportunities; and
- The opportunity for income distributions via the import/export of alternative commodities in addition to grain.

4.4.1 Forecast Grain Consumption

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

South-East Asia has been the predominant purchaser of Australian wheat exports over the last decade. In 2017 these countries represented 60% of Australian wheat exports (up from 44% in 2006).[40] The largest market for Australian wheat exports is Indonesia, which imports 4.2m metric tonnes of wheat from Australia every year, equating to $1.2b of export revenue for the country.[41]

Global wheat consumption is expected to increase from 747Mt in 2018-19 to 782Mt in 2022-23, and consumption of coarse grains, such as corn and barley, are projected to increase from 1,400 Mt in 2018-19 to 1,541 Mt in 2022-23.[42] It is anticipated that this growth in demand will continue to be driven by population growth in emerging regions such as Asia.

Consumption of wheat in South-East Asia is 26kg per person per year. In comparison, the world average per person wheat consumption is 78kg. Furthermore, consumption in this region has exhibited less price elasticity. Indeed, wheat consumption has shown continued growth even as the price of wheat is increased.[43] Grain demand, especially within emerging economies such as South-East Asia, is expected to outstrip supply and will continue to support a strong export market. South Australian grain production has averaged 8.3m tonnes over the previous five years,[44] with 6.9m tonnes produced in the 2017/18 season.[45]

Asia is the dominant export destination for Australian grain, with exports to Asia having increased markedly over the past decade, combined with a decline in exports to the Middle East. In 2016, South-

[40] Australian Export Grains Innovation Centre, 2018, Australia's grain supply chains.
[41] Australian Export Grains Innovation Centre, 2018, The Indonesian wheat market.
[42] Australian Government, 2019, Department of Agriculture and Water Resources: Agricultural Commodities.
[43] The Economist, 2017, Of rice and men: A circular tale of changing food preferences.
[44] PIRSA, 2018 – 2019, Crop and Pasture Report South Australia.
[45] PIRSA, 2017 – 2018, Crop and Pasture Report South Australia.

East Asia, China and other North Asian countries accounted for approximately 75% of all Australian grain exports (this is up from circa 60% in 2006).[46]

The North, Mid North and Yorke Peninsula grain catchment area around Wallaroo is a major grain producing region within South Australia and represents about 40% of the total state crop. Historically this catchment area has averaged 2.5m tonnes to 3.0m tonnes of grain annually.[47] We estimate the natural catchment area of Wallaroo to be circa 1.4m tonnes catchment subject to crop and season. The South Australian bulk grain export industry is currently a monopolistic system, with one operator dominating all the bulk grain ports in the state.[48] Grain growers are concerned that this market structure has been implemented to extract considerable premiums for grain handling.[49]

4.4.2 Cost advantage

The development of the Port at Wallaroo is expected to provide an alternative choice for growers within the South Australian grain handling supply chain and provide grain growers in the region with significant cost benefits. Charges for grain storage and handling range from approximately $41 per tonne for early season delivery (November) to approximately $51 per tonne for late season delivery (March), with the difference largely a result of storage charges. Vessel owners are also charged additional port costs which include a Flinders Ports charge of $3.60 per tonne.[50] This cost is passed back through the supply chain to the grower. The development of grain exports through the new Wallaroo Port will provide grain growers in the Yorke Peninsula catchment zone near the Port with significant cost savings. The average cost of grain export from the new T-Ports operated Wallaroo Port is anticipated to be approximately $37.5 per tonne on average without any additional Port charge.

4.4.3 Efficiencies to Drive Value

The development of an additional grain supply chain will provide grain growers in the region with greater export options to sell their produce. This will change the way grain is priced and the fees and charges associated with grain exports. Furthermore, by innovating upon the traditional deep-water port model with smaller ports near the product, the Wallaroo Port development will assist in reducing congestion in freight routes. Hence the Wallaroo Port intends to increase the efficiency of South Australian ports and provide environmental benefits by reducing carbon emissions. The Wallaroo Port will use a state-of-the-art self-propelled, selfdischarging TSV to transport the grain from the Port to a larger deep-water Panamax or Supermax shipping vessel.

The TSV (Lucky Eyre) has been designed by Sea Transport who are considered a world leader in mini port transhipment vessels. This vessel design is unique as it only requires four metres of draft in the harbour terminal compared to 13 metres for a deep sea vessel. This provides significant advantages as it means the bulk grain is able to be loaded through shallow water ports located close to road and

[46] Australian Export Grains Innovation Centre, 2018, Australia's grain supply chains.
[47] PIRSA, Crop and Pasture Report South Australia 2012/13 – 2016/17.
[48] ACCC, 2018, Bulk Wheat Ports Monitoring Report.
[49] 20 February 2015, Submission 19 to the Senate Standing Committees on Rural and Regional Affairs and Transport re Grain Export Networks, including the on- and off-farm storage, transport, handling and export of Australian grain available at http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Grains_2014/Submissions.
[50] Flinders Ports, 2019, Port Charges.

rail systems, further reducing supply side costs to growers. Moreover, the use of this shallow draft vessel eliminates the need for major jetty structures which are both financially and environmentally costly. The Lucky Eyre will be used across port operations in both Lucky Bay and Wallaroo significantly increasing its capacity utilisation rate and reducing the operating costs of both projects.

4.4.4 Freehold Land

Port infrastructure in Australia typically operates on land under a long-term lease agreement and port operating license. All South Australian ports, with the exception of Whyalla and Lucky Bay, are owned and operated in this manner.[51] The Trust will own the land that the Wallaroo Port is on and, therefore, has a unique freehold interest, avoiding any future lease renewal risks.

[51] Flinders Ports, 2011–17, Key Statistics.

5. Investment Structure

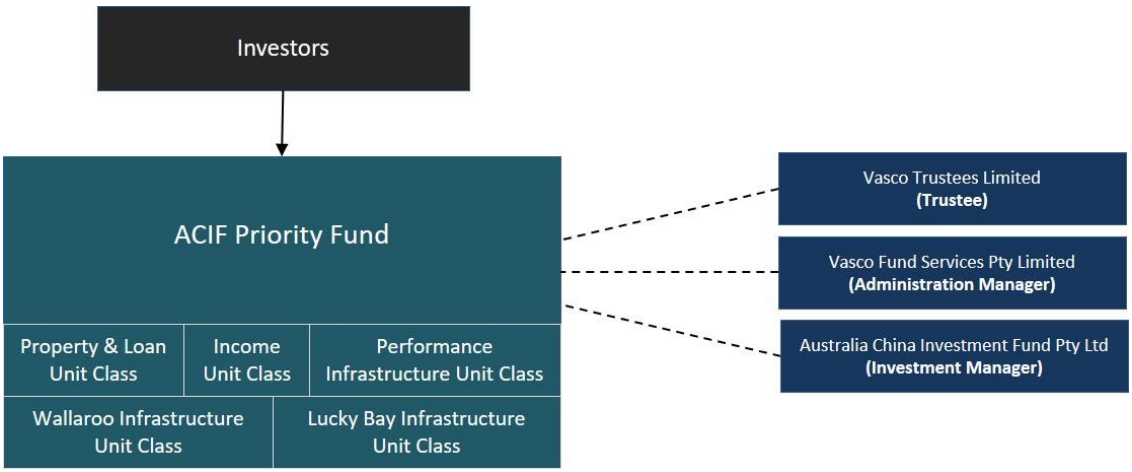
The Fund is an unlisted unregistered managed investment scheme structured as a unit trust. There is no intention to register the Fund with ASIC or to list the Fund on a secondary market such as the ASX.

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

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

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

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



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

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

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

The Trustee of the Fund has also appointed the Administration Manager pursuant to an Administration Agreement. The Administration Manager is responsible for, among other things, processing application forms, conducting AML/CTF checks on behalf of the Trustee, managing the Fund's accounts and sending out distribution statements. Section 6 contains a profile of each of the parties involved in the management of the Fund.

6. Management of the Fund

6.1 The Trustee and Administration Manager

Vasco Trustees Limited (**Trustee**) and Vasco Fund Services Pty Limited (**Administration Manager**) are part of an investment management and services group that provides responsible entity, trustee and fund administration to Australian and international investment managers.

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

Some of the funds Vasco's executives have developed include the $1.5 billion Australian Unity Healthcare Property Trust ARSN 092 755 318 and the $1.5 billion AIMS AMP Capital Industrial REIT listed on the Singapore Securities Exchange.

The directors of Vasco were 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 Trustees 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.

6.2 The Investment Manager

The Investment Manager of the Fund is Australia China Investment Fund Pty Ltd (**ACIF**).

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.

6.3 Directors of the Investment Manager

6.3.1 John Wang

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

John has over 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.

6.3.2 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.

6.3.3 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.

7. Fees and Costs

7.1 Fund fees and costs

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

Type	Amount	How and when paid
Fund Fees Fees and costs paid by the Fund		
Investment Managers fees	The Fund will pay the Investment Manager the following fees: - An initial fee of 4.2% (inclusive of GST) of each application amount in year 1	Paid to the Investment Manager within 60 days of the acceptance of an application by the Trustee

	- For the balance of the term of the investment:
	  - in any given financial year where the realised return of income and/or capital does not exceed 10% of the annual average Contributed Capital held by the Fund that year* the Investment Manager will charge a fee of 2% of the annual average Contributed Capital
	  - in any given financial year where the realised return of income and/or capital does exceed 10% of the annual average Contributed Capital held by the Fund that year*, the Investment Manager will calculate and charge a fee on an annual basis equal to 20% of the realised return
	***Please note this calculation is based on the average value of Contributed Capital and not the value of the Fund's asset which may change from time to time. Contributed Capital means application monies that have been invested in the Fund for greater than 12 months. The under or over performance of the Fund in any one year is not factored in the return calculation in any subsequent years.**
		Paid to the Investment Manager annually as at the end of each financial year

Trustee fees**	The Trustee is entitled to a once off **Establishment Fee** of $5,000	Paid to the Trustee on commencement of the Wallaroo Infrastructure Unit Class
	The Trustee is entitled to an **Annual Fee** for acting as trustee of the Fund. This annual fee will be equal to the greater of: - $22,500; or - 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.

Type	Amount	How and when paid
Document review and execution fee**	The Trustee is entitled to a **Document review and execution fee** of $500 for the review and execution of documents associated with each particular investment that the Fund makes. If there are multiple documents for an acquisition (acquisition agreement, borrowing agreement etc.) only one fee is paid.	Paid to the Trustee as and when incurred
Administration fee**	As at the date of this IM, the Administration Manager is entitled to an annual **Administration fee** of up to $59,665 (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. 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. The Administration fee is subject to an annual increase of 3% per annum on 1 January.	Paid monthly in arrears by the Investment Manager to the Administration Manager from the date of first issue of Units in the Wallaroo Infrastructure Unit Class. The administration fee will be apportioned pro-rata across all unit classes based on the respective GAV of each unit class.
Expenses**	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. See Section 7.2 for more information.	Paid to the Trustee or relevant party appointed by the Trustee as and when incurred

**All Fund fees and expenses (other than the Investment Manager fees) shall be paid by the Investment Manager from the fees it receives. Only where the Investment Manager fails to pay Fund fees and expenses shall these amounts be paid out of the Fund's assets.

7.2 Expenses

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

The Investment Manager is also entitled to be paid or reimbursed for expenses associated with and properly incurred in connection with performing its investment management duties.

7.3 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.

7.4 Goods and services tax

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

7.5 Waiver, deferral or rebate of fees

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

8. Risks

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

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

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

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

8.1 Manager Risk

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

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

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

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

8.2 Legal, Regulatory and Compliance Risk

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

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

8.3 Income Risk

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

8.4 Diversification Risk

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

8.5 Indirect investment risk

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

Risks associated with the ICAM Lucky Bay Trust are further disclosed in Sections 8.18, 8.19 and 8.20 of this IM.

8.6 Liquidity Risk

The Fund is an illiquid investment.

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

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

8.7 Tax Risk

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

8.8 General Investment Risks

The returns from investments in infrastructure financing are affected by a range of economic factors, including changes in interest rates, exchange rates, inflation, general share and property market conditions, government policy (including monetary and taxation policy and other laws), fluctuations in

general market prices for property, shares, bonds and other tradeable investments and the general state of the domestic and world economies.

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

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

8.9 Property Risk

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

8.10 Operating History

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

8.11 Return of Capital

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

8.12 Fees and expenses

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

8.13 Currency Risk

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

8.14 Thinly-Capitalised Management

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

8.15 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.

8.16 Other Risks

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

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

8.17 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.

The information in Sections 8.18, 8.19 and 8.20 has been extracted from the information memorandum in relation to the ICAM Lucky Bay Trust dated 10 May 2019. Any reference to Trustee in these sections means the trustee of the ICAM Lucky Bay Trust and any reference to trust means the ICAM Lucky Bay Trust. Further details in relation to the ICAM Lucky Bay Trust are available from that trust's information memorandum or the trustee of the ICAM Lucky Bay Trust.

8.18 Port Enterprise Investment Risk

8.18.1 Design and Construction Risk

The Project is a greenfields port project. Accordingly, the infrastructure is yet to commence construction. There are inherent risks in any development project. Performance of an investment in the Trust is dependent on asset development in line with projected timetables and on budget. Increased costs or time delays can impact on return on investment, including through a delay in commencement of operations, higher capital costs or debt funding or reduced revenue. In addition, T-Ports will be undertaking the Port development management on behalf of the Trust. Accordingly, investors are exposed to the performance capabilities of T-Ports development management offering.

8.18.2 Port Operator Risk

The Wallaroo Port Facility will be operated by T-Ports. If the port operator is ineffective then there will be impacts on revenue, operating expenses and return on investment.

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

8.18.3 Port Operations Risks

There are a range of potential risks that can impact any port operation, including:

- Loss or damage to assets, handling equipment or property;
- Loss or damage to vessels or cargo;
- Wreck removal costs;

- Pollution risks;
- Non-damage events such as strikes, denial of access or transportation incidents;
- Damage that incapacitates critical cargo handling equipment;
- Damage to sea walls, piers and wharves from natural hazards or vessel impact; and
- Terrorism and natural catastrophes.

8.18.4 Competition Risk

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

8.18.5 Patronage Risk

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

8.18.6 Weather, Climate and Agricultural Risk

The grain produced in the Yorke Peninsula is in turn dependent on weather and other agricultural risks. Production levels can vary significantly from year to year, especially in drought years. Modelling has included consideration of average yields but if there are significant adverse weather or agronomic events (disease, pest, loss of crops) then this will negatively impact revenue and returns. Climate change may increase the level of extreme weather events and increase the costs of Port maintenance, all of which may negatively impact revenue and returns. In addition, adverse weather conditions can negatively impact on the operational availability of the port and the TSV. While the TSV is designed to operate in conditions beyond the capacity of a normal shallow draft transhipper there are sea state conditions in which it cannot operate.

8.18.7 Counterparty Risk

The Trust's operations and profitability are dependent on a number of parties. If one of the Trust's counterparties defaults or cannot meet their obligations under their specific arrangements with the Trust, the Wallaroo Port's revenue – and hence profitability – may be impacted. For example, this includes the risk of non-performance by construction companies, grain growers, fertiliser suppliers and purchasers, ship operators, the Port operator, suppliers, equipment providers and other service providers in addition to the Trustee.

8.18.8 Technology Risk

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

8.18.9 Regulatory Risk

Under the *Competition and Consumer (Industry Code – Port Terminal Access (Bulk Wheat)) Regulation 2014* (Cth), port terminal operators are required, among others, to:

- Negotiate in good faith with wheat exporters for access to port terminal services;
- Not discriminate or hinder access in the provision of port terminal services;
- Offer the ability for wheat exporters to seek mediation or binding arbitration on terms of access in the event of a dispute; and
- Publish approval for port loading protocols for managing demand for port terminal services.

In summary, the Code regulates bulk wheat port terminal operators to ensure that exporters have fair and transparent access to terminal facilities. As such, any changes to this regulation may impact the profitability of the Trust. There are also compliance costs associated with satisfying these regulatory requirements.

Further, the *Maritime Services (Access) Act 2000* (SA) permits the State Government to impose additional economic regulation and other controls on proclaimed ports. If this port becomes subject to that regime then there may be higher compliance costs or other impacts on revenues. The Port also needs to maintain other relevant regulatory approvals in order to conduct its operations, including under the *Harbors and Navigation Act 1993* (SA) requirements for port operating agreements.

In addition, there are many other standard regulatory regimes that will impact on the development of the port infrastructure and its operations. These include the *Development Act 1993* (SA), planning approval requirements as well as obligations associated with Environment Protection Authority requirements, Landscaping and Vegetation Management Plans, and Traffic Management Plans, chemical handling and storage for grain fumigation, controls on chemical use on grains (including Food Standards Australia and New Zealand and the Agricultural Pesticides and Veterinary Medicines Authority), security controls under the *Customs Act 1901* (Cth), export controls and other matters. Failure to obtain relevant approvals or comply with conditions of approval of operations, whether at a Commonwealth, State or Local Government level could negatively impact on costs, revenues and returns. There is no guarantee that the Trust will receive all approvals required to develop and operate the Port on terms, or in the time frames, anticipated. Any such changes or failures may result in decreased returns to investors.

8.18.10 Native Title Risk

The Assets are within the boundaries of a Native Title Claim under *the Native Title Act 1993* (Cth) (NTA). If there was non-compliance with relevant agreements or obligations, then this would negatively impact on the development, developer reputation and returns.

8.18.11 Revaluation Risk

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

8.19 Trust Risk

These risks relate to an investment in the Trust.

8.19.1 Debt Financing Risk

The Trust has not yet received debt financing commitments. The ability or cost to secure debt finance depends on a range of factors including the global economic conditions and Australian and international debt markets. Accordingly, Investors should consider the risks associated with such debt raising including an inability to raise the full amount required, a delay in obtaining debt finance, the costs of debt being higher than anticipated or the terms of the debt being less favourable than anticipated. Additionally, there is always a risk that the Trust may default on the terms of its debt, leading to a risk of enforcement (and potentially asset recovery) by the debt provider.

The Trust will be working very closely with potential debt providers to obtain the debt on reasonable terms, and once obtained, ensure the debt is prudently managed. Each of these matters may affect the ability of the Trust to meet its targeted returns set out in the Information Memorandum and to have the Project developed within the timelines anticipated in this Information Memorandum.

8.19.2 Liquidity Risk

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

As noted, the Trustee intends to seek an exit event for investors within five to seven years. An exit may involve an initial public offering and listing; a potential sale to an institutional infrastructure fund, superannuation fund or similar entity; or a refinancing of equity through a capital raising and redemption offer. The timing and form of an exit will depend on a number of factors outside the Trustee's control, including market specific and general economic conditions. Investors should consider an investment in the Trust as illiquid. Direct infrastructure investments are by their nature illiquid investments. It may be difficult for the Trustee to dispose of the Assets in a timely manner and at an optimal sale price.

8.19.3 Concentration risk

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

8.19.4 IDPIT Call Option Risk

IDPIT holds a market priced call option over the Trust's assets. Whilst this option cannot be exercised prior to the end of the Port's first year of operations (unless in conjunction with a sale of IDPIT's assets), there is a risk that it will be exercised at a time that is prior to an optimal exit time for the Trust investors. This may affect investors' returns.

8.20 General Risks

8.20.1 General investment risk

An investment in the Trust 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 Trust 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; and
- Government Policy.

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

8.20.2 Financial Forecasts Risk

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

8.20.3 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.

8.20.4 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 Trust's performance.

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

9. Taxation Information

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

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

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

9.2 Australian GST

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

9.3 Foreign Account Tax Compliance Act

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

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

9.4 Common Reporting Standards (CRS)

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

9.5 Withholding Tax

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

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

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

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

10. Additional Information

10.1 Summary of material documents

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

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

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

Constitution and terms of Wallaroo Infrastructure Units

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

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

Subject to the Constitution and the terms of issue of the Wallaroo Infrastructure Units, as an Investor you have the following rights:

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

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

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

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

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

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

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

income for Infrastructure Performance Units will be paid out of distributions from the units in the ICAM Lucky Bay Trust.

Investment Management Agreement

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

The Investment Management Agreement sets out the Investment Manager's obligations to the Trustee and to the Fund. The agreement also contains the arrangements in relation to the Fees and Costs that are summarised in Section 7.

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

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

Administration Agreement

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

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

Information Memorandum and trust deed of the ICAM Lucky Bay Trust

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

10.2 Related party transactions

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

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 both 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.

10.3 Privacy

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

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

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

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

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

10.4 Complaints handling

Applicants and Investors who wish to make a complaint about the Fund should contact the Trustee by telephone on (03) 8352 7120, by email to info@vascofm.com, or in writing addressed to:

The Complaints Officer
Vasco Trustees Limited
Level 5, 488 Bourke Street
Melbourne VIC 3000

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

As the Fund is an unregistered managed investment scheme, complainants do not have recourse to the Australian Financial Complaints Authority (AFCA).

10.5 Anti-money laundering law

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

The Trustee may need to identify:

(a) an Investor prior to purchasing Units. The Trustee will not issue Units until all relevant information has been received and an Investor's identity has been satisfactorily verified; and

(b) anyone acting on behalf of an Investor, including a power of attorney.

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

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

10.6 Foreign Account Tax Compliance Act (FATCA)

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

10.7 Consents

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

- Australia China Investment Fund Pty Ltd
- D H Flinders Pty Ltd
- ICAM ACIF No 2 Pty Ltd

- Vasco Fund Services Pty Limited

11. Glossary

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

Administration Manager	Vasco Fund Services Pty Limited (ACN 610 512 331)
AFSL	Australian financial services licence
AML/CTF	Anti-money laundering and counter-terrorism financing
Applicant	A person or entity who submits an Application Form
Application	An application by a prospective Investor to subscribe for Units under this Information Memorandum
Application Form	An application form that is attached to this Information Memorandum
ASIC	Australian Securities and Investments Commission
Asset	The assets of the Fund
ASX	Australian Securities Exchange
Constitution	The constitution establishing the Fund, dated 1 April 2016
Contributed Capital	Application monies that have been invested in the Fund for greater than 12 months
Corporations Act	The Corporations Act 2001 (Cth)
Fund	ACIF Priority Fund
GST	Goods and Services Tax
ICAM Lucky Bay Trust	The ICAM ACIF Lucky Bay 2 Trust
ICAM Trustee	ICAM ACIF No 2 Pty Ltd
Information Memorandum or IM	This information memorandum
Wallaroo Infrastructure Unit Class	The unit class known as Wallaroo Infrastructure Units, the terms of which are set out in the terms of issue created by the Trustee
Investment Manager	Australia China Investment Fund Pty Ltd (ACN 607 032 655)
Investment Management Agreement	The agreement between the Trustee and Investment Manager that governs the rights and obligations of the Investment Manager
Investment Term	The expected duration of ICAM Lucky Bay Trust's investment in the Assets
Investor	A holder of a unit in the Wallaroo Infrastructure Unit Class of the Fund

IRR	Internal rate of return
MHS	The material handling systems being constructed on the TSV to enable it to handle grain and certain other commodities
Offer	The offer of investment in the Trust under this Information Memorandum
Port Operating Company	T-Ports
Sea Transport or STC	Sea Transport Corporation
Sophisticated investor	A 'sophisticated investor' as defined in section 761GA of the Corporations Act
T-Ports	T-Ports Pty Ltd ACN 620 129 544
TSV	Transhipment Vessel. The TSV is named *Lucky Eyre*
Trust	The ICAM ACIF Lucky Bay 2 Trust
Trustee	Vasco Trustees Limited (ACN 138 715 009)
Unit	A unit in the Fund
Unitholder	A holder of Units
Vasco	Vasco Trustees Limited (ACN 138 715 009)
Wholesale investor	A 'wholesale client' as defined in section 761G of the Corporations Act

12. Application for Units

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

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

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

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

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

Vasco Fund Services Pty Limited
Level 5, 488 Bourke Street Melbourne, Victoria, 3000, Australia
T +61 3 8352 7120 F +61 3 8352 7199 E info@vascofm.com
All application money payments should be made as follows:

1. By cheque:

Cheques should be made out to "Vasco Trustees 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 Trustees 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
Wallaroo Infrastructure Units

Use this application form if you wish to invest in:

ACIF Priority Fund
Wallaroo Infrastructure Units

The Information Memorandum (IM) for the Wallaroo Infrastructure Unit Class of the ACIF Priority Fund, dated 7 May 2020, includes information about purchasing Wallaroo Infrastructure 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 Trustees 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 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 Fund Services Pty Limited
Level 5, 488 Bourke Street
Melbourne VIC 3000

If you have any questions regarding this form or the required Customer Identification requirements, please contact 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;

☐ if paying via direct debit, completed section 10 ensuring ALL bank account signatories have signed;

☐ if paying via cheque, ensure cheque is made payable to 'Vasco Trustees Limited ATF ACIF Priority Fund' and attach it to this application form; and

☐ read the declaration and provided all relevant signatures.

Application Form
ACIF Priority Fund
Wallaroo Infrastructure Units

AUSTRALIA CHINA INVESTMENT FUND

Vasco Fund Services

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

1. Investment details

Is this a new investment or an additional investment?

☐ New investment ▶ Please proceed to section 2.

☐ Additional investment ▶ Existing account name

Existing account number

Please proceed to section 6. If you provide any information in any other section, this will override any previous information provided.

2. Investor type

☐ Individual investor or joint investors – also complete 'Customer Identification Form – Individuals and Sole Traders'

☐ Sole Trader – also complete 'Customer Identification Form – Individuals and Sole Traders'

☐ Super Fund – also complete 'Customer Identification Form – Superannuation Funds and Trusts'

☐ Trust – also complete 'Customer Identification Form – Unregulated Trusts and Trustees'

☐ Australian company – also complete 'Customer Identification Form – Australian Companies'

☐ Foreign company – also complete 'Customer Identification Form – Foreign Companies'

☐ Other – contact our Investor Services team on 03 8352 7120 for other Customer Identification Forms.

3. Investor name

3A. Individual investor/joint investors/sole trader

Investor 1

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms

Date of birth / /

Business name of sole trader (if applicable)

Investor 2

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms)

Date of birth / /

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

Name of entity

3C. Account designation (if applicable)

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

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms)

We are only required to act on instructions from the investors listed in 3A and 3B. Vasco is not bound to take any notice of any interest of any person listed in 3C.

4. Contact details

This is the address where all correspondence will be sent.

Contact person

Unit number Street number

Street name

Suburb

State Postcode

Country

Phone (after hours) Phone (business hours)

Mobile Facsimile

Email

5. Tax information

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

5a. Individual investor or entity

TFN

Tax exemption

ABN

5b. Investor 2 (joint investors)

TFN

Tax exemption

5c. Non-residents

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

6. Investment allocation and payment options

Please indicate how you will be making your new or additional investment and the amount you wish to invest.
I/we are making my/our investment via:

☐ Direct Credit/EFT → see below.

☐ Bank Cheque → make cheque payable to 'Vasco Trustees Limited ATF ACIF Priority Fund'.

Fund name	Initial investment
ACIF Priority Fund - Wallaroo Infrastructure Units	$, , .00

The minimum initial investment is $500,000.

Cheque Instructions: Bank Cheques or drafts must be made payable to Vasco Trustees 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 Fund Services Pty 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 Trustees 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. Please cross (✗) 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 (✗) which best describes the category of investor they are.

(a) Sophisticated Investor

Applicant 1	Applicant 2 (if joint application)	
☐	☐	I am applying for $500,000 or more worth of Units (please continue to Section 9).
☐	☐	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).
☐	☐	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 compete 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

Name

Address

Suburb

State Postcode

Country

Phone (after hours) Phone (business hours)

Mobile Facsimile

Email

Professional classification (eg. CPA) Membership No:

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 Trust Deed of the Fund (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 Trust Deed of the Fund 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 57 of this application form.

Investor 1 / Signatory 1

Signature

Date

Surname

Given name(s)

Capacity ☐ Sole Director ☐ Director ☐ Trustee ☐ Other

Investor 2 (joint investors) / Signatory 2

Signature

Date

Surname

Given name(s)

Capacity ☐ Director ☐ Company Secretary ☐ Trustee ☐ Other

Signing Authority

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

☐ Only one required to sign.

☐ All signatories must sign.

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

Surname

Given name(s)

Title (Mr/Mrs/Miss/Ms

Phone (business hours)

Advisor group email

Advisor group name

Adviser group AFSL

Adviser Signature

Date

ADVISER STAMP

Important notes

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

Signatories

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

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

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

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

Schedule - Offering Legends

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

AUSTRALIA

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

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

SINGAPORE

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

CHINA

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

Corporate Directory

INVESTMENT MANAGER

Australia China Investment Fund Pty Ltd
Level 13 Freshwater Place
2 Southbank Boulevard
Southbank Victoria 3006
Australia

Level 32, 101 Miller Street
North Sydney NSW 2060
Australia
Telephone: +61 1300 008 882

TRUSTEE

Vasco Trustees Limited
Level 5, 488 Bourke Street
Melbourne Victoria 3000
Australia
Telephone: +61 3 8352 7120
Email: info@vascofm.com

ADMINISTRATION MANAGER

Vasco Fund Services Pty Limited
Level 5, 488 Bourke Street
Melbourne Victoria 3000
Australia
Telephone: +61 3 8352 7120
Email: info@vascofm.com