

ACIF Prosperity Fund

Supplementary Information Memorandum



23 March 2022

IMPORTANT INFORMATION

This supplementary information memorandum dated 23 March 2022 (**Supplementary IM**) supplements the Information Memorandum for the ACIF Prosperity Fund (**Fund**) dated 14 August 2019 (**IM**) and issued by Vasco Custodians Pty Ltd ACN 644 232 539 AFSL 530682 (**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. References to Vasco Investment Managers Limited

Vasco Investment Managers Limited, changed their name in October 2019 to Vasco Trustees Limited. All references to Vasco Investment Managers Limited should now be read as references to Vasco Trustees Limited.

2. Change of Trustee

Due to an internal restructure within the Vasco group of companies, the trustee of the Fund changed from Vasco Trustees Limited (ACN 138 715 009) to Vasco Custodians Pty Ltd (ACN 644 232 539) effective 1 June 2021.

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.

3. Change to investment amounts

Due to a change in legislation, from 1 July 2021, for investors who were “invited to apply” for their subclass 188C visa in the Significant Investor stream after 1 July 2021, the following investment amounts will apply:

Investment	Percentage of your investment	Amount on the basis of a \$5 million investment in the Fund
VCPEF	20%	\$1,000,000
ACECUC Units	30%	\$1,500,000
ABIUC Units	50%	\$2,500,000

Accordingly, all references in the IM to the allocation of investment, or minimum investment amounts, for investors who were “invited to apply” for their subclass 188C visa in the Significant Investor stream after 1 July 2021 are amended as follows:

- \$1,000,000 into VCPEF instead of \$500,000; and
- \$2,500,000 into ABIUC Units instead of \$3,000,000.

The requirement for venture capital fund investments time frame was reduced to 6 months from 12 months to enter into a commitment with a general partner of each of one or more venture capital funds after the visa is granted to the investor.

This is currently disclosed in the Information Memorandum at section 4.6 as 12 months from the date the visa is granted to the investor.

This requirement is outlined under section 8 of the Migration (IMMI 15/100: Complying Investments) Instrument 2015 (as amended).

4. Removal of references to direct investment in the ACIF Balancing Fund

The ACIF Balancing Fund will not allow for direct investment.

Accordingly, the following sentences are removed in their entirety from the IM:

Section of IM	Sentences removed in their entirety
1.3, 5.4 and 12.1	Should you wish to only invest in the ACIF Balancing Fund please complete the relevant section on the Application Form. The minimum investment amount for direct investment into the ACIF Balancing Fund is \$3 million.
5.4.4	The constitution for the ACIF Balancing Fund provides that, while there are three or less unitholders in the ACIF Balancing Fund (ACIF Balancing Fund Investors), DHFIM as trustee of the ACIF Balancing Fund must act on the unanimous direction of the ACIF Balancing Fund Investors.
7.1	Investors may invest directly in the ACIF Balancing Fund where the minimum investment is \$3,000,000.

5. ACIF Balancing Investment Unit Class – Performance fee

Pursuant to section 5.4 of the IM under the heading ‘Investment Manager Fees’:

‘The Investment Manager is entitled to a performance fee of any returns in excess of 4.5% per annum after payment of all expenses of the ABIUC and after any previous under-performance has been recovered. This fee is paid in arrears on a quarterly basis.’

This performance fee is inclusive of GST and net of RITC.

Accordingly, the aforementioned paragraph is deleted in its entirety and replaces as follows:

‘The Investment Manager is entitled to a performance fee (inclusive of GST and net of RITC) of any returns in excess of 4.5% per annum after payment of all expenses of the ABIUC and at the discretion of the Investment Manager, after any previous under-performance has been provided. This fee is paid in arrears on a quarterly basis.’

6. Investment into the ICAM ACIF Land Trust by the ACIF Balancing Fund

Pursuant to the IM,

‘Subject to the Investment Manager conducting their due diligence to ensure SIV compliance, the ACIF Balancing Fund may also invest in the ICAM ACIF Land Trust. The ICAM ACIF Land Trust has acquired costal

land in Wallaroo, South Australia in order to develop and expand the land into a specialist bulk grain exporting port facility using transshipment technology.'

The ACIF Balancing Fund is now invested in the ICAM ACIF Land Trust.

As disclosed in the IM, investors should note that James Forbes, a Managing Partner of Australia China Investment Fund Pty Ltd, is a Director and Board Member of ICAM Duxton No 1 Pty Ltd, ICAM ACIF No 2 Pty Ltd.

Subject to the Investment Manager conducting their due diligence to ensure compliance with the Complying Investment Framework, the ACIF Balancing Fund may also invest in the ICAM ACIF PRIZAC RP Unit Trust covering a prime investment opportunity in a boutique hotel development strategically located on Playford Boulevard in South Australia.

The site is situated in close proximity to the Edinburgh Defence Precinct, which is a key national defence research, manufacturing and sustainment hub housing the RAAF Base Edinburgh, Defence Science and Technology and other major defence companies.

The defence precinct consists of four sites and more than 6,500 personnel and is South Australia's largest defence establishment which is currently undergoing a large-scale transformation.

The mid-scale hotel will be operated by Ramada by Wyndham. Ramada by Wyndham operate 850 hotels globally, including 22 in Australia. Wyndham Hotels and Resorts are a publicly listed company that operate over 9,000 hotels globally.

The Hotel will contain 205 letting bedrooms and numerous amenities including:

- Restaurant bar and buffet
- Sports bar
- Lounge and Sky Bar
- Gymnasium
- Swimming Pool.

Application Form

**ACIF Prosperity Fund
ACIF Balancing Fund**



Use this application form if you wish to invest in:

ACIF Prosperity Fund and ACIF Balancing Fund

The Information Memorandum (IM) for the ACIF Prosperity Fund dated 14 August 2019 and Supplementary Information Memorandum (SIM) dated 23 March 2022 includes information about purchasing units in the ACIF Prosperity Fund or ACIF Balancing Fund ("Fund"). Any person who gives another person access to the application form must also give the person access to the IM, SIM and any incorporated information. You should read the IM and any incorporated information before completing this application form.

The trustee of the ACIF Prosperity Fund is Vasco Custodians Pty Ltd (Vasco) ABN 15 644 232 539, AFSL 530682. The trustee of the ACIF Balancing Fund is DHF Investment Managers Pty Ltd (DHFIM) ABN 74 607 120 570, a corporate authorised representative of Vasco. Vasco, DHFIM 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 the 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 the Customer Identification Form together with Section 14 and the verification procedure and in consideration of Vasco (or DHFIM) accepting the investor's application:

- you agree to identify and verify all new investors, using the 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 (or DHFIM) in writing when your relationship with the investor is terminated and agree to promptly provide Vasco (or DHFIM) all identification documents and/or the record of identification received from the investor at this time, or as otherwise requested from Vasco (or DHFIM), from time to time.

Contact details

Mail your completed application form and identity verification documents to:

Vasco Custodians Pty Ltd
Level 4, 99 William Street
Melbourne VIC 3000

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

Checklist

Before sending us your application please ensure you have:

- ☐ completed this form in full;
- ☐ for new investments, completed the relevant 'Identity Verification Form' available on our website www.vascofm.com; if
- ☐ paying via direct debit, completed section 9 ensuring ALL bank account signatories have signed;
- ☐ if paying via cheque, ensure cheque is made payable to 'Vasco Custodians Pty Ltd ATF ACIF Prosperity Fund' (or 'DHF Investment Managers Pty Ltd ATF ACIF Balancing Fund' for an investment in the ACIF Balancing Fund) and attach it to this application form; and
- ☐ read the declaration and provided all relevant signatures.

Application Form

ACIF Prosperity Fund
ACIF Balancing Fund



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

[illegible]

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 – also complete ‘Customer Identification Form – Individuals and Sole Traders’

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

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

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

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

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

3. Investor name

3A. Individual investor/joint investors/sole trader

Investor 1

[illegible]

Full given name(s)

Title (Mr/Mrs/Miss/Ms) Date of birth / /

Business name of sole trader (if applicable)

Investor 2

[illegible]

Full given name(s)

Title (Mr/Mrs/Miss/Ms) Date of birth / /

3B. Trust/Australian 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 or DHFIM is not bound to take any notice of any interest of any person listed in 3C.

4. Contact details

This is the address where all correspondence will be sent.

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

5. Tax information

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

5a. Individual investor or entity

5b. Investor 2 (joint investors)

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

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.

☐ Cheque → make cheque payable to 'Vasco Investment Managers Limited ATF ACIF Prosperity Fund'.

ACIF Prosperity Fund	Initial investment
Total Investment Amount	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>
ACIF Prosperity Fund - ACECUC Units	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>
ACIF Prosperity Fund - APVECUC Units	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>
ACIF Prosperity Fund - ABIUC Units	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>
VCPEF	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>

The minimum initial investment is \$5,000,000.

Please note, if you do not elect how your total investment amount will be allocated, then Vasco will allocate your investment amount as follows: 20% in VCPEF (minimum \$1,000,000), 30% in ACECUC (minimum \$1,500,000) and 50% in ABIUC (minimum 2,500,000).

Cheque Instructions: Cheques or drafts must be made payable to Vasco Investment Managers Limited ATF ACIF Prosperity 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 Custodians Pty Ltd
Level 4, 99 William Street
Melbourne VIC 3000 Australia
P +61 3 8352 7120 F +61 3 8352 7199

Direct Credit / EFT Instructions

Alternatively you can direct credit your application funds to:
Vasco Custodians Pty Ltd ATF ACIF Prosperity Fund Macquarie Bank
BSB 182 512
Account number 964 006 324

Please note the applicants name when transferring the funds.

6. Investment allocation and payment options (continued)

ACIF Balancing Fund	Initial investment
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Initial investment

Total Investment Amount \$, , .

\$, , .

The minimum initial investment if you are only investing in the ACIF Balancing Fund is \$3,000,000.

Cheque Instructions: Cheques or drafts must be made payable to DHF Investment Managers Pty Ltd ATF ACIF Balancing 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 4, 99 William Street
Melbourne VIC 3000 Australia
P +61 3 8352 7120 F +61 3 8352 7199

Direct Credit / EFT Instructions
Alternatively you can direct credit your application funds to:
DHF Investment Managers Pty Ltd ATF ACIF Balancing Fund

Direct Credit / EFT Instructions

Alternatively you can direct credit your application funds to:

DHF Investment Managers Pty Ltd ATF ACIF Balancing Fund

Macquarie Bank

BSB 182 512

Account number 964 006 456

Please note the applicants name when transferring the funds.

7. Income distributions

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

☐ Please reinvest my/our income distributions into the Fund. You will receive BIF Units.

☐ Please credit my/our nominated bank account provided in section 10 with my/our income distributions.

8. Annual report

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

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

Unless requested otherwise, this will also be the bank account we credit any withdrawal proceeds and/or distributions if you requested these to be paid to you and not reinvested. By providing your nominated account details in this section you authorise Vasco (or DHFIM) 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.**

[illegible][illegible][illegible]

Branch number (BSB)	—	Account number
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10. Power of Attorney

By signing this application form, the investor:

- (a) irrevocably appoints Vasco as its agent and attorney to have the powers as agent and attorney in the name of the investor to complete and execute:
 - (i) any fund documents for VPEG4 or any or any other venture capital (VC) fund made available to you
 - (ii) any amendment of the VC fund documents
 - (iii) any Vasco Cash Enhanced Fund documents, and
 - (iv) any amendment of the Vasco Cash Enhanced Fund documents
- (b) fully indemnifies Vasco (or any replacement trustee of the ACIF Prosperity Fund) against all liabilities that Vasco (or any replacement trustee of the ACIF Prosperity Fund) may incur in connection with the exercise of any power under clause (a) above
- (c) releases Vasco (and any replacement trustee of the ACIF Prosperity Fund) from all liabilities that Vasco (and any replacement trustee) may otherwise have to the investor in connection with the exercise of any power under clause (a) above, and
- (d) authorises Vasco, as its agent and attorney, to appoint any other person as a sub agent or sub attorney to undertake any actions Vasco may undertake as its agent and attorney under clause (a) above.

This power of attorney is made under Part 2 of the Powers of Attorney Act 2014 (Act) and has effect as a deed.

Subject to the Act, without derogating from any limitation of Vasco's liability in this power of attorney, Vasco has no liability of any nature whatsoever to the investor as principal beyond the assets of the Fund available to Vasco for the purpose of meeting a liability arising, directly or indirectly, from Vasco doing, or refraining from doing, any act (including the execution of any document), matter or thing pursuant to or in connection with this deed.

11. Qualifying Investor Confirmation

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

Part 1 – Investor category

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

Applicant 1 Applicant 2
(if joint application)

<input type="checkbox"/>	<input type="checkbox"/>	I am applying for \$500,000 or more worth of Units.
<input type="checkbox"/>	<input type="checkbox"/>	I have net assets of at least \$2.5 million (please arrange for a Qualified Accountant to complete Part 2 of Section 8 of this Application Form).
<input type="checkbox"/>	<input type="checkbox"/>	I have earned at least \$250,000 per annum gross income for each of the last two financial years (please arrange for a Qualified Accountant to complete Part 2 of Section 8 of this Application Form).
<input type="checkbox"/>	<input type="checkbox"/>	I have or control gross assets of at least \$10 million (please provide a Statutory Declaration).
<input type="checkbox"/>	<input type="checkbox"/>	I hold Australian Financial Services Licence No. (please provide AFSL no.) <input type="text"/>

Part 2 – To be completed by a Qualified Accountant

Insert full name and address of Qualified Accountant

Name	<input type="text"/>
Address	<input type="text"/>
Suburb	<input type="text"/>
State	<input type="text"/>
Postcode	<input type="text"/>
Country	<input type="text"/>
Phone (after hours)	<input type="text"/>
Phone (business hours)	<input type="text"/>
Mobile	<input type="text"/>
Facsimile	<input type="text"/>
Email	<input type="text"/>
Professional classification (eg. CPA)	<input type="text"/>
Membership No:	<input type="text"/>

Declaration by Qualified Accountant

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

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

Option 1

Applicant 1 Applicant 2
(if joint application)

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

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

Option 2

Applicant 1 Applicant 2
(if joint application)

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

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

Signature of Qualified Accountant

Date

12. 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 SIM and all information incorporated into the IM and SIM to which this application applies and have read them and agree to the terms contained in them and to be bound by the provisions of the current IM and SIM (including the incorporated information) and current trust deed (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 heading 'Privacy policy' in the IM. I am/We are aware that until I/we inform Vasco otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading and I/we have consented to my/our financial adviser providing such further personal information to Vasco as is required or reasonably deemed necessary by Vasco under applicable law;
- I/we understand that if I/we fail to provide any information requested in this Application Form or do not agree to any of the possible use or disclosure of my/our information as detailed on the IM and SIM, 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 and that an application for Units is binding and irrevocable;
- I/we are bound by the Trust Deed and acknowledge 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 and SIM;
- 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 agree to the Investment Manager of the Fund having read-only access to my/our online investor portal maintained by the Trustee/Responsible Entity of the Fund and give this consent for the purposes of any privacy or other legislation and for other lawful purpose.
- I/we have provided a tax file number, and if not, I/we consent to Vasco withholding tax at the highest marginal tax rate plus the Medicare levy;
- I/we acknowledge and agree to having read and understood the risks of investing in the Fund as described in the IM and SIM 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 or 761GA of the Corporations Act and relevant information has been provided to confirm this and by investing in this Fund I/we will not cause any breach of the Corporations Act by or for Vasco;
- if the Applicant is a SMSF, it is compliant and investing in this Fund complies with the Superannuation Industry Supervision Act 1993 (Cth); and
- I/we hold the appropriate authorisations to become an Investor in the Fund and that offer cannot be revoked.
- I/we are applying for Units in the Fund on a commitment basis, and accept liability for losses incurred by the Fund or the Trustee should I/we fail to uphold my commitment to meet any capital calls.

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

Refer to list of signatories on the next page of this application form.

Investor 1 / Signatory 1

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

Investor 2 (joint investors) / Signatory 2

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

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.

14. Adviser Information

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	<input type="text"/>
Surname	<input type="text"/>
Given name(s)	<input type="text"/>
Title (Mr/Mrs/Miss/Ms)	<input type="text"/>
Phone (business hours)	<input type="text"/>
Adviser group e mail	<input type="text"/>
Adviser group	<input type="text"/>
Adviser group AFSL	<input type="text"/>
Adviser Signature	<input type="text"/>
Date	<input type="text"/>

ADVISER STAMP

Important notes

This application must not be handed to any person unless the relevant IM and access to the information incorporated into the IM is also being provided. Vasco or DHFIM may in its absolute discretion refuse any application for Units. Persons external to Vasco or DHFIM or other entities who market Vasco or DHFIM products are not agents of Vasco or DHFIM but are independent investment advisers. Vasco or DHFIM will not be bound by representations or statements which are not contained in information disseminated by Vasco or DHFIM. 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.	Sole trader's	Sole trader's
Australian company	i. Full company name as registered with ASIC; and ii. Name of each director of the company; and iii. 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 (either individual(s) or business name). Please note, if any of the trustees are an Australian company, all information in the 'Australian company' section must also be completed; and iii. Names of beneficiaries (if identified in Trust Deed). 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 means ownership (either directly or indirectly) of 25% or more of the investor.

** This is not required in some circumstances.



AUSTRALIA CHINA
INVESTMENT FUND



ACIF Prosperity Fund

Information Memorandum

14 August 2019

Trustee Vasco Investment Managers Limited ACN 138 715 009

Investment Manager Australia China Investment Fund Pty Ltd ACN 607 032 655

Administration Manager Vasco Fund Services Pty Limited ACN 610 512 331

IMPORTANT INFORMATION

This Information Memorandum (**IM**) is dated 14 August 2019.

This IM details the features, benefits, risks and general information about the ACIF Prosperity Fund (**Fund**).

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

Unit Classes

The Trustee of the Fund may issue Units in different Unit Classes which offer investors different rights, features or benefits.

Where relevant, the specific information of a Unit Class that may differ from, or elaborate on, the information contained in this IM will be set out in the relevant Supplementary Information Memorandum.

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.

Table of Contents

Letter from the Investment Manager	6
1. Key Features of the Fund.....	7
2. Key Terms	9
3. Executive Summary.....	13
4. SIV Investment Guidelines.....	15
5. Structure of the Fund	18
6. Management of the Fund.....	34
7. Summary of Major Terms.....	36
8. Risk factors	42
9. Tax and Regulatory Considerations	50
10. Legal and Additional Information.....	55
11. Definitions	57
12. Application for Units	60
Schedule - Offering legends	69
Corporate Directory.....	70

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 ACIF Prosperity 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 Australian Federal Government's Significant Investor Visa (**SIV**) program offers an exciting concessional opportunity for high net worth investors to migrate to Australia. ACIF has a number of SIV opportunities for investors across a diverse range of Australian-based asset classes to cater for a wide range of investor return objectives and risk profiles.

The founders of ACIF have more than 60 years' experience in property and other growth asset classes and have built extensive professional networks providing investors access to the best quality projects on attractive terms.

The Fund provides investors access to a range of SIV qualifying investments including:

- Emerging company investments
- Venture capital and private equity funds investments (**VCPEF**)
- Balancing investments with an exclusive focus on real estate opportunities

We have combined our own expertise in managing real estate investments with specialist investment managers in the emerging companies and private equity asset classes.

The directors of the Investment Manager believe that an investment in the Fund offers an attractive opportunity to gain access to SIV qualifying investments under the one "umbrella" offering attractive investment returns.

The Fund has an independent Trustee, Vasco Investment Managers Limited (**Vasco**). Vasco is part of an investment management group that provides responsible entity, trustee and fund administration services to Australian and international investment managers. The Vasco team have significant experience in the Asia Pacific region in the management of equity funds, fixed income funds, REITs, private equity real estate funds, real estate securities funds, and mortgage and real estate debt funds. Some of the funds Vasco's executives have developed include the \$1.5 billion Australian Unity Healthcare Property Trust and the \$1.5 billion AIMS Industrial REIT listed on the Singapore Stock Exchange (SGX).

I invite you to read through this IM (including Section 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 of the Fund

- ✓ A specifically designed SIV qualifying investment fund
- ✓ Access to a broad range of qualifying investments such as emerging companies, venture capital and real estate
- ✓ Specialist investment managers have been selected for each asset class

1.1 Key Features of the Emerging Companies Unit Classes

- ✓ The Fund provides investors with two investment options being an investment managed by Cyan Investment Management Pty Ltd (**Cyan**) or by Prime Value Asset Management Ltd (**Prime Value**).
- ✓ The ACIF Cyan Emerging Companies Unit Class (**ACECUC**) will invest via the ACIF Emerging Companies Fund in the Cyan SIV Emerging Companies Fund (**Cyan EC Fund**). The ACIF Prime Value SIV Emerging Companies Unit Class (**APVECUC**) will invest via the ACIF Prime Value SIV Emerging Companies Fund in the Prime Value SIV Emerging Companies Protected Fund (**Prime Value EC Fund**).
- ✓ Cyan is an experienced investment manager with significant experience in the management of emerging companies. Whilst complying with the SIV guidelines for complying emerging companies' funds, Cyan will take a relatively conservative investment approach and hold a significant weighting to cash, floating rate interest securities and real estate securities so as to reduce the volatility of returns to investors.
- ✓ Prime Value has created the Prime Value SIV Emerging Companies Protected Fund for SIV investors seeking a lower risk investment alternative for the emerging companies component of their SIV investment. The Prime Value EC Fund is structured as a series of protected portfolios. Prime Value utilises derivatives for risk management purposes.

1.2 Key Features of the Venture Capital and Private Equity Funds

- ✓ The Investment Manager has negotiated an arrangement through which you will be able to invest in Vantage Private Equity Growth 4 (**VPEG4**), a SIV complying growth private equity fund.
- ✓ VPEG4 is a growth private equity fund of funds investment managed by Vantage Private Equity Management Partnership, LP, focused exclusively on small to mid-market growth private equity investments in Australia.
- ✓ The businesses invested in by the funds selected by Vantage typically have a strong market position and generate strong cash flows allowing VPEG4 to generate strong consistent returns to investors.
- ✓ Additional venture capital funds may be offered to investors in the future.

Note: Your investment in VPEG4 will not be made via the Fund, but will be arranged for you separately in order to take advantage of the tax benefits available to investors in Australian venture capital funds.

1.3 Key Features of the Balancing Unit Class

- ✓ A fund manager with significant experience in the Australian property market.
- ✓ This fund provides access to commercial property opportunities.
- ✓ Investing with developers who have a proven track record.
- ✓ The ACIF Balancing Investment Unit Class (**ABIUC**) will make Balancing Investments through the Fund's wholly owned sub-fund, ACIF Balancing Fund.

- ✓ Currently the ACIF Balancing Fund is invested in:
 - ICAM Westpac House Investment Trust 1 which owns a 50% interest in the iconic office tower, Westpac House, located at 91 King William Street, Adelaide, South Australia
 - ICAM Duxton STC Land Trust (**Duxton Trust**) which owns land upon which the Lucky Bay Port – a shallow harbor mixed-use agricultural port project on the Eyre Peninsula, South Australia – is well under construction and expected to be completed later this year.
- ✓ Subject to the Investment Manager conducting their due diligence to ensure SIV compliance, the ACIF Balancing Fund may also invest in the ICAM ACIF Land Trust. The ICAM ACIF Land Trust has acquired coastal land in Wallaroo, South Australia in order to develop and expand the land into a specialist bulk grain exporting port facility using transshipment technology.
- ✓ Should you wish to only invest in the ACIF Balancing Fund please complete the relevant section on the Application Form. The minimum investment amount for direct investment into the ACIF Balancing Fund is \$3 million.

2. Key Terms

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

Fund name	ACIF Prosperity Fund
Trustee and Custodian	Vasco Investment Managers Limited ABN 71 138 715 009, AFS licence number 344486
Investment Manager	Australia China Investment Fund Pty Ltd ACN 607 032 655 an authorised representative (No. 00123478) of D H Flinders Pty Ltd (AFSL 353001)
Sub-Funds	ACIF Emerging Companies Fund ACIF Prime Value SIV Emerging Companies Fund ACIF Balancing Fund
Sub investment managers	Emerging Companies – Cyan Investment Management Pty Ltd and Prime Value Asset Management Limited Balancing Investment – Australia China Investment Fund Pty Ltd. Venture Capital or Growth Private Equity – Vantage Private Equity Management Partnership, LP.
Administration Manager	Vasco Fund Services Pty Limited
Structure	<p>The Fund is an unregistered unit trust established pursuant to the Trust Deed and is governed by Australian law.</p> <p>There are three classes of Units on issue in the Fund, being:</p> <ol style="list-style-type: none"> 1. ACECUC Units: funds subscribed for ACECUC Units will be invested in the ACIF Emerging Companies Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Emerging Companies Fund, 2. APVECUC Units: funds subscribed for APVECUC Units will be invested in the ACIF Prime Value SIV Emerging Companies Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Prime Value SIV Emerging Companies Fund, and 3. ABIUC Units: funds subscribed for ABIUC Units will be invested in the ACIF Balancing Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Balancing Fund.

Investment objective	To provide SIV investors with access to a diversified range of SIV compliant investments with attractive returns over the medium to long term.
Investment options	<p>Emerging companies investment via either ACECUC Units, which will invest in the ACIF Emerging Companies Fund which invests in the Cyan EC Fund or APVECUC Units which will invest in the ACIF Prime Value SIV Emerging Companies Fund which invests in the Prime Value EC Fund.</p> <p>Venture capital and private equity investments (VCPEF) via VPEG4 (via a separately managed investment).</p> <p>Balancing Investments via ABIUC Units (focusing on real estate).</p>
SIV investment guidelines	<p>Under the SIV regulations, of the \$5 million minimum investment, there is a mandatory requirement to invest at least \$500,000 in a venture capital investment, at least \$1.5 million in emerging companies and the remainder in Balancing Investments.</p> <p>There are very limited circumstances in which investment in residential property can be a complying investment under the SIV regulations. Therefore, the Balancing Investments will not include investment in residential real estate.</p> <p>For more information on the SIV investment guidelines, refer to section 4 of this Memorandum.</p>
Target Fund Size	The Trustee is seeking to raise \$60 million. However, there is no minimum or maximum subscription level restriction on the amount that can be raised.
Gearing	The Fund will not have any borrowings.
Liquidity	You will not be able to withdraw your investment in the Fund until after the fourth anniversary of the date on which your Units were issued. Following this date, you may submit a withdrawal request to the Trustee setting out the number of Units you wish to withdraw from the Fund. The Trustee will use reasonable endeavours to satisfy valid withdrawal requests, however, it is not obliged to do so where there is sufficient cash available in the Fund or the Trustee considers it would be a material disadvantage to the Fund if some or all requests were met. Subject to those qualifications, withdrawal requests will be processed and satisfied within 60 days of receipt. Your ability to withdrawal your VCPEF investment will depend upon the liquidity of the VCPEF and you should refer to the relevant disclosure document.

Minimum Investment	<p>\$5 million total commitment, including \$500,000 for the VCPEF. The Investment Manager has the discretion to accept smaller amounts.</p> <p>Your investment will be allocated as follows:</p> <ul style="list-style-type: none"> • \$500,000 into VCPEF. This investment does not form part of the Fund but Vasco will make the investment on your behalf and will monitor your investment and report on it to you. For the time between when you provide us with your investment amount and the time VPEG4 is ready to accept your investment, the money will be held by Vasco in escrow for VPEG4 and will be invested in the Vasco Cash Enhanced Fund. • \$1,500,000 in either ACECUC Units or APVECUC Units. • \$3,000,000 in ABIUC Units. <p>Any amount you invest above \$5 million will be invested in ABIUC Units, unless you otherwise direct the Trustee in your Application Form.</p> <p>Should investors wish they may also choose to invest only in particular Unit Classes. The minimum investment in the ABIUC is \$3,000,000 whilst the minimum investment in the Emerging Companies Unit Classes is \$1,500,000.</p>
Fund Currency	Australian Dollars (AUD)
Term	The minimum investment term is 4 years other than APVECUC which has a minimum term of 5 years (please see section 7 for details on Withdrawal/Redemption)
Trustee fee	<p>0.10% (plus GST) per annum of the gross asset value of the Fund, paid monthly in arrears (subject to a minimum annual fee of \$25,000 (plus GST) out of the assets of the Fund. A related party of the Trustee will also act as trustee of the Sub-Funds and is entitled to be paid fees (see Section 8).</p> <p>The trustee fees for the Fund are allocated between the unit classes based on the gross asset value from the previous month of each respective unit class.</p> <p>The Investment Manager will pay all the fees and expenses of the APVECUC and the ACIF Prime Value Emerging Companies Fund.</p>

Investment Manager fee	<p>The Investment Manager will not charge an annual management fee for their role as Investment Manager of the Fund, the ACIF Emerging Companies Fund, the ACIF Prime Value SIV Emerging Companies Fund and ACIF Balancing Fund.</p> <p>The Investment Manager will be remunerated through:</p> <ul style="list-style-type: none"> • Being paid referral fees by the sub investment managers of the ACIF Emerging Companies Fund, the ACIF Prime Value SIV Emerging Companies Fund and by VPEG4 or any other sub investment manager; and • Through being paid an establishment fee or referral fee by parties with which the ACIF Balancing Fund may invest. • Being paid a quarterly performance-based redemption fee from the ACECUC and APVECUC and an annual performance fee for ABIUC. <p>These fees are detailed in sections 5.2, 5.3, 5.4 and 5.5.</p>
Removal fee	<p>The Trustee is entitled to be paid a removal fee of \$5,000 if it retires or is removed as trustee of the Trust.</p>
Administration fee	<p>The Administration Manager will also receive a fee for acting as Administration Manager. The Administration Manager is entitled to receive up to \$26,523 (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. The Administration Manager also receives a fee for acting as administration manager of the sub-funds. These fees are subject to an annual increase of 3% on the 1st of January each year.</p> <p>The administration fees for the Fund are allocated between the unit classes based on the gross asset value from the previous month of each respective unit class.</p> <p>The Investment Manager will pay all the fees and expenses of APVECUC and the ACIF Prime Value SIV Emerging Companies Fund.</p>

3. Executive Summary

3.1 Overview

Australia China Investment Fund Pty Ltd (**ACIF**) was established to offer investors wishing to migrate to Australia access to a range of complying investments, including property.

Immigration to Australia under the Significant Investor Visa (SIV) program was first introduced in 2012 to provide a 4-year pathway to Australia for permanent residency for migrants who invest at least \$5 million into a portfolio of complying investments.

In July 2015 the Australian Government announced major changes, broadening the allowable range of investments to include venture capital funds (**VCPEF**), emerging companies, property funds and commercial property.

The Fund has been established to allow Investors the opportunity to participate in a newly established investment vehicle that provides investors access to a range of SIV qualifying investments. Access to the emerging companies Investment and Balancing Investments will be made available by investment in the three Unit classes of the Fund, the ACECUC Units, APVECUC Units and the ABIUC Units. Unless you provide other instructions, the Investment Manager will allocate \$1,500,000 of your investment in the Fund to ACECUC Units and the remaining amount to ABIUC Units. The Investment Manager will in turn invest the money raised from the ACECUC Units in the Cyan EC Fund (through the ACIF Emerging Companies Fund) and the money raised from the ABIUC Units into Balancing Investments (through the ACIF Balancing Fund).

Access to VCPEFs will also be managed on Investor's behalf by ACIF, but the investment itself will not be an asset of the Fund, but will be held by each Investor. This structure has been adopted to take advantage of tax concessions which are available to investors of VCPEFs under Australian tax laws which may not be accessible if the same investment were made via the Fund.

The Trustee has appointed ACIF as the Investment Manager for the purposes of marketing the Fund to investors and managing the investments of the Fund with a view to achieving returns for Investors.

The directors of ACIF bring extensive expertise to the management of the Fund.

A key benefit of an investment in the Fund is the access to the management team that have the skills and experience to capitalise on opportunities in the real estate sector. The team has:

- An extensive knowledge of real estate projects globally and the ability to critically assess and secure the best of these opportunities through creative and flexible deal structures; and
- A management team that consists of experienced professionals with a track record of delivering strong returns.

The current global economic expansion, particularly in Asia and other countries should provide significant interest amongst citizens of those countries in investment in financing opportunities for the Australian real estate sector.

3.2 Australian Real Estate Market

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

Despite its large land area, Australia is one of the most urbanised countries in the world with most of the population living in cities. In their liveability survey undertaken across 140 cities globally, the Economist Intelligence Unit deemed Melbourne to be the world's most liveable city in 2015, Australia has a total of 4 cities that sit in the top 10 of the survey with Adelaide in 5th place, followed by Sydney in 7th place and Perth in 8th place.

Australia's current population is 23.5 million with a current annual population growth rate of 1.8% per annum.

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

4. SIV Investment Guidelines

4.1 Introduction to Australia's Significant Investor Visa (SIV) program

On 25th May 2012, the former Labour Government announced the introduction of the SIV, aimed at allowing Australia to compete effectively for high net worth individuals seeking investment immigration. In return for providing Australia with a new source of investment capital and increasing the pool of funds managed in Australia, successful applicants do not have to meet normal visa requirements such as a points test or upper age limit.

On 1st July 2015, the Australian Government announced major changes, broadening the allowable range of investment, whilst also including mandated amounts to VCPEFs of \$0.5m and EC of \$1.5m.

4.2 Immigration Program Overview

The SIV program involves two visas: Business Innovation and Investment (Provisional) (Subclass 188) (Provisional SIV) and (Business Innovation and Investment (Permanent) (Subclass 888) (Permanent SIV).

To be granted a Provisional SIV, a client must be nominated by an Australian state or territory. Each state or territory may have its own specific nomination requirements, including the types of investments that must be held. A nominated client will then be invited to make an application to the Department of Immigration and Border Protection. The Provisional SIV runs initially for 4 years, and may be extended by up to a further 4 years.

4.3 SIV Immigration Program Overview

During the Provisional SIV timeframe, the Investor must spend an equivalent of at least 40 days per year (or part year) in Australia (measured over the whole Provisional SIV time frame) and continuously hold at least \$5 million in complying investments.

Once the client has held a Provisional SIV for at least 4 years, they can (if again nominated by a state or territory) apply for a Permanent SIV. Once granted a Permanent SIV, the client is no longer required to hold complying investments, but must have a realistic commitment to maintain business or investment activities in Australia.

4.4 SIV Program - Provisional Visa Application Process

4.4.1 *Step 1 – Nomination and Expression of Interest*

If you are interested in applying for a SIV, you must submit an expression of interest (EOI) through SkillSelect. You also need to be nominated by a state or territory government to receive an invitation to lodge a visa application (in NSW this process takes about five days).

4.4.2 *Step 2 – Provisional Visa Application*

Once the nomination application is accepted and the EOI is selected you will receive an invitation to lodge an application for a Provisional SIV.

You then have 60 days to submit the visa application and supporting documentation to the Department of Immigration and Border Protection (DIBP)

4.4.3 *Step 3 – Invest in Complying Investments*

If your application is satisfactory, DIBP will invite you to make a A\$5 million investment in complying investments.

4.4.4 Step 4 – Grant of Provisional SIV

Once DIBP is satisfied that your visa application meets all the relevant criteria, including that you have invested A\$5 million in complying investments, you will be eligible to be granted a Provisional SIV.

4.4.5 Step 5 – Permanent Visa Application

The Provisional SIV provides the opportunity to apply for a Permanent SIV after four years of investment activity while holding a Provisional SIV.

To be eligible for a Permanent SIV, you must reside in Australia for at least 40 days per year during the four-year investment period you held a Provisional SIV.

Once a Permanent SIV has been granted, you do not need to maintain complying investments (however you must have a realistic commitment to maintain your business and investment activity in Australia) and are considered a permanent resident for the purpose of Australia's foreign investment laws.

4.5 What are the current investment guidelines?

SIV investors must invest at least \$500,000 in VCPEFs, at least \$1.5 million in "Emerging Companies Investments" and the balance in what are referred to as "Balancing Investments".

4.6 What are the requirements for VCPEF investments?

At least \$500,000 must be invested in eligible VCPEFs. The Australian Government has indicated it is considering increasing this minimum investment in VCPEFs to \$1 million within 2 years.

A VCPEF is a form of investment that provides capital to typically new, innovative or fast-growing unlisted companies. They are governed by the Venture Capital Act 2002. In order to be an eligible VCPEF for SIV purposes, the VCPEF must be registered under the Early Stage Venture Capital Limited Partnership (ESVCLP) or Venture Capital Limited Partnership (VCLP) programmes operated by the Australian Government's Department of Industry and Science.

Investments in VCPEFs require three elements of proof for SIV applicants:

- Proof that funds are taken upfront by the fund vehicle (or held in escrow in a cash management trust or bank account as security)
- Proof of entering into a commitment with the VCPEF within 12 months from the date the provisional visa is granted, and
- Proof the VCPEF investments have commenced within 4 years from the date the SIV is granted.

For more information about VCPEF investments please refer to the disclosure documents for VPEG4 available at www.vantageasset.com.au

4.7 What are the requirements for Emerging Companies Investments?

At least \$1.5 million must be invested in funds investing in eligible 'emerging companies'. The fund must maintain a minimum of 20 investee companies within 3 months of the fund's inception date and may be open or closed ended managed funds or listed investment companies.

The permitted investments for 'emerging companies' include:

- Securities in companies with a market cap of less than \$500 million at the time of first purchase. These securities can be in ASX listed companies or (subject to a limit of 20% of the fund's net assets) unlisted companies
- Other Australian listed companies (subject to a limit of 20% of the fund's net assets)
- Previously held shares in companies which have grown their market cap over \$500 million (subject to a limit of 30% of the fund's net assets)
- Derivatives for risk management purposes only, and
- Cash (subject to a limit of 20% of the fund's net assets).

Additionally, the manager of the fund must have and maintain \$100m in firm wide funds under management.

4.8 What are the requirements for a Balancing Investment?

The balance of the \$5 million SIV investment must be invested in a Balancing Investment. A Balancing Investment includes investments in:

- Companies, A-REITs, infrastructure trusts including their ordinary equity, preferred equity, convertible bonds or corporate issued floating rate notes listed on an Australian securities exchange.
- Corporate bonds or notes issued by an Australian exchange listed entity (or wholly owned subsidiary of the Australian listed entity) or investment grade rated Australian corporate bonds or notes rated by an AFS licensed debt rating agency.
- Deferred annuities issued by Australian registered life companies but cannot commence paybacks during the provisional visa period.
- Real Property in Australia (subject to restrictions around investing in residential real estate).

Balancing Investment funds may be open or closed ended managed funds or listed investment companies.

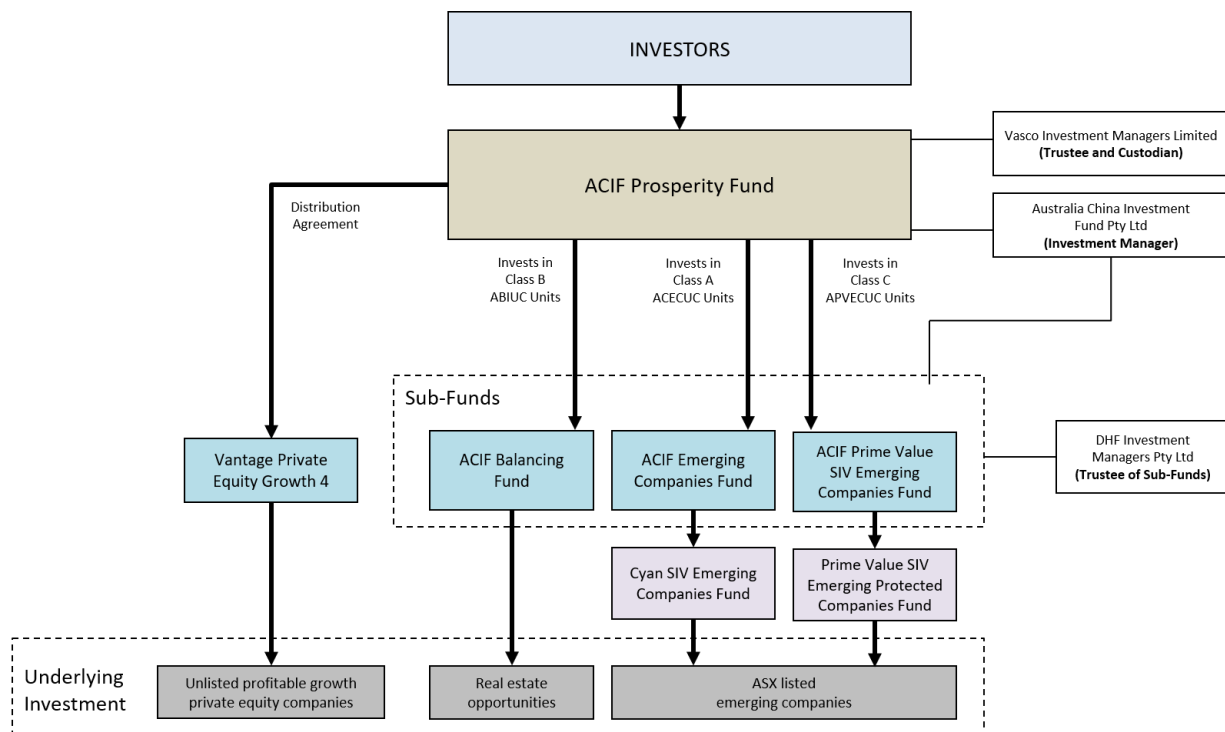
5. Structure of the Fund

5.1 Overview

The Fund structure is as follows:

- i) The Fund is a unit trust established under, and governed by, Australian law;
- ii) The Fund has three classes of Units, the ACECUC Units, the APVECUC Units and the ABIUC Units, each of which relate to sub-funds being the ACIF Emerging Companies Fund, ACIF Prime Value SIV Emerging Companies Fund and ACIF Balancing Fund (Sub-Funds);
- iii) The Fund will be operated as an open-ended fund; meaning the Fund remains open to new Investors;
- iv) The Trustee and Custodian of the Fund is Vasco Investment Managers Limited (**Vasco**), an Australian company limited by shares. The Trustee of the Sub-Funds is DHF Investment Managers Pty Ltd. DHF Investment Managers Pty Ltd is a corporate authorised representative of Vasco. Vasco is the holder of AFS licence no 344486 and is regulated by ASIC. Vasco is an experienced trustee and custodian of equity, venture capital, real estate and real estate debt funds; and
- v) The Trustee has appointed Australia China Investment Fund Pty Ltd, an experienced manager of real estate investments, as Investment Manager of the Fund. DHF Investment Managers Pty Ltd as trustee of the Sub-Funds has also appointed Australia China Investment Fund Pty Ltd as the investment manager of the Sub-Funds.

The parties involved in the Fund can be represented as follows:



Investors will become unit holders in the Fund and will subscribe for units in the Fund in accordance with the terms of the fund agreements, which will set out the rights of unit holders and rules for the establishment and operation of the Fund.

The units acquired by Investors will be in two of the three different classes:

- ACECUC Units: funds subscribed for ACECUC Units will be invested in the ACIF Emerging Companies Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Emerging Companies Fund.
- APVECUC Units: funds subscribed for APECF Units will be invested in the ACIF Prime Value SIV Emerging Companies Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Prime Value SIV Emerging Companies Fund.
- ABIUC Units: funds subscribed for ABIUC Units will be invested in the ACIF Balancing Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Balancing Fund.

Unless Investors otherwise notify the Trustee on the application form, \$1,500,000 of their investment will be invested in ACECUC Units and the balance will be invested in ABIUC Units.

Investors will not be able to withdraw their Units for four years (five years for APVECUC Units) from their date of issue. Once the four-year period (or five-year period for APVECUC Units) has expired, it is expected that investors will be able to redeem their investment by giving 60 days' notice, subject to available liquidity at that time. Because the only assets the Fund will hold are units in the Sub-Funds, the liquidity of the Fund will depend on the liquidity of the Sub-Funds, which in turn is dependent on the assets the Sub-Funds hold. More information about the investment strategies for each of the Sub-Funds appears later in this section.

At the expiry of the four-year period (or five-year period for APVECUC Units) where withdrawals are not permitted, investors may submit a request to withdraw some or all of their Units from the Fund. The Trustee does not guarantee that the amount available for withdrawal will permit an Investor to withdraw all of their Units.

Investors will be entitled to transfer their Units with the Investment Manager's consent, which will not be unreasonably withheld.

The Fund will not have any borrowings.

5.2 ACIF Cyan Emerging Companies Unit Class

Unit Class name	ACIF Cyan Emerging Companies Unit Class (or ACECUC) which will invest in a wholly owned sub-fund of the Fund, the ACIF Emerging Companies Fund.
Sub-Fund Trustee	DHF Investment Managers Pty Ltd (DHFIM)
Sub-Fund Investment Manager	Australia China Investment Fund Pty Ltd (ACIF)
Investment Strategy	The ACECUC will invest in the ACIF Emerging Companies Fund which invests in the Cyan SIV Emerging Companies Fund (Cyan EC Fund)
Cyan EC Fund Trustee and Investment Manager	<p>Vasco is the trustee of the Cyan EC Fund.</p> <p>Vasco has appointed Cyan Investment Management Pty Ltd (Cyan) as the investment manager of the Cyan EC Fund.</p>
Sub-Fund Trustee and Administration fees	DHFIM shall be paid \$5,000 per annum for acting as trustee of the ACIF Emerging Companies Fund and Vasco Fund Services Pty Limited shall be paid \$5,305 per annum for undertaking fund accounting and registry functions. The administration fees are subject to an annual increase of 3% on the 1st of January each year.
Investment Manger Fees	<p>ACIF is not paid an annual management fee for acting as investment manager of the ACECUC but does receive a referral fee of 0.25% pa of the net asset value of the ACECUC from the trustee of the Cyan EC Fund. This fee is payable quarterly in arrears from the fees payable to DHFIM as trustee of the Cyan EC Fund.</p> <p>In addition, the Investment Manager receives a performance-based redemption fee of 10% of any return in excess of 4.5% per annum after payment of all fees and expenses and after any previous under-performance has been recovered. This fee is calculated and payable upon redemption of your investment.</p>
Fees of Cyan EC Fund	<p>There is a buy spread of 0.50% for applications and a sell spread of 0.50% for redemptions.</p> <p>An annual management fee of 1.95% per annum of net asset value is payable to the manager of the Cyan EC Fund. This fee is calculated and payable monthly in arrears.</p> <p>Vasco is entitled to a performance fee of 20% of the return over 10% per annum. This fee is calculated at the end of each calendar month based upon the investment performance and value of the Cyan EC Fund and accrued monthly. It is payable from the assets of the Cyan EC Fund on 30 June of each year.</p> <p>Where the performance fee calculated is negative, it is applied to reduce any accrued performance fee from the previous month, or, where there is no accrued performance fee from the previous month, carried forward as a 'performance deficit'.</p>

Any performance deficit will need to be offset by future positive performance fees before any performance fee becomes payable.

5.2.1 *Investment Manager*

Cyan is an Australian based, boutique fund manager specialising in investing in emerging companies.

Cyan aims to generate consistent returns by not only investing in quality businesses but by explicitly avoiding poor investments.

Cyan was established in 2013 and apart from the Cyan EC Fund they are also the investment manager of the Cyan C3G Fund which has outperformed its benchmarks since inception.

Cyan believe that emerging company stocks are not inherently risky and believe the opportunity for significant growth of well positioned, managed and resourced small companies exceeds that of larger companies. As investment manager they are patient but vigilant. They have a conservative investment philosophy and only deploy cash when they consider the risk/return equation makes sense.

5.2.2 *Key Features of the Fund*

- ✓ The investments strategy of the Cyan EC Fund is to invest in complying emerging company investments for SIV investors;
- ✓ Cyan is an experienced investment manager with significant experience in the management of emerging companies;
- ✓ Whilst complying with the SIV guidelines for complying emerging companies' funds, the fund will take a relatively conservative investment approach and hold a significant weighting to cash, floating rate interest securities and real estate securities so as to reduce the volatility of returns to investors.

5.2.3 *Investment Objective*

The aim of the Cyan EC Fund's strategy is to outperform the S&P/ASX Small Ordinaries Accumulation Index and to achieve an absolute return over the medium to long term in excess of 10% per annum.

Cyan's investment process comprises searching for companies:

- With meaningful potential upside
- that generate high return on their equity
- that do not have binomial outcomes
- with a proven business model
- that are able to earn well through various business cycles
- with clear and significant paths for growth and that are likely to have a unique market position, a first mover advantage, or high barriers to entry.

Cyan typically looks for businesses that are under researched, fundamentally undervalued and/or has a catalyst for re-rating.

5.2.4 *Investment Philosophy*

The Manager's conservative investment philosophy is underpinned by a number of long held investment beliefs:

- With appropriate groundwork and research, the best investment opportunities in the Australian share market can be usually found in smaller, less researched companies.
- There is no substitute for first hand research.
- Investigate many opportunities but invest in few.
- Long-term investment outcomes are determined as much by the investments that are avoided as the investments that are made. Significant focus is given to investment selection and avoiding low-quality or exceedingly high-risk investments. As such, the Manager typically avoids industry sectors including resources and biotechnology.
- The vast majority of investment funds should be directed to cash generative businesses that the Manager can understand and value appropriately. Again, the Manager typically avoids highly speculative business businesses and those with negative operating cash flows.
- In any portfolio there will be under-performing investments. The Manager's skill in recognising mistakes early and dealing with them objectively is critical to generating long-term excess returns.

5.2.5 *Investment Process*

The foundations of Cyan's investment process are threefold:

- **Comprehensive Research:** The Manager uses a proprietary stock filter in order to eliminate a large proportion of investments due to both internal characteristics (such as return on capital employed or cash flow generation) and external characteristics (such as exposure to commodity prices or customer concentration). Once the investment universe is filtered, the Manager uses a fundamental bottom up investment approach, primarily seeking cash generative companies that it believes are mispriced by the market.
- **Considered Perspective:** The research process has been designed to identify compelling investment opportunities; however, there is no guarantee that these will go up in price, or are even suitable for the Cyan EC Fund at a particular point in time. Before an investment is made, it needs to be put in perspective in relation to the overall risk profile and weightings of the Fund, the industry in which each company operates and the macro influences that may impact the company's performance.
- **Clear Discipline:** Clarity of process and discipline in execution are inherent within the investment process. The key characteristics include defined hurdle rates for profitability, return on equity, gearing and cash flow generation. The valuation techniques are agreed and consistent and strict portfolio composition parameters are adhered to.

Through these three cornerstones, the Manager implements a defined process for portfolio selection and construction.

5.2.6 *Investment Portfolio Parameters*

The Cyan EC Fund is structured to adhere to a number of specific investment and portfolio construction criteria:

- The portfolio will predominantly be invested in ASX listed companies, each with a market capitalisation of less than \$500m at the time of purchase. However, the Fund can continue to hold up to 30% of its net assets in companies that have grown their market cap above \$500m through share price appreciation or capital expansion.

- The portfolio can hold up to 20% of the Fund's net assets in cash and cash-like instruments.
- The portfolio will be invested in 20 or more companies at all times.
- Investment in any individual security will not exceed 10% of the Fund's net assets.

5.2.7 *Further Information*

Further information on the Cyan EC Fund can be obtained from the Vasco website at www.vascofm.com or by calling Vasco on +61 3 8352 7120. Additional information available includes the Information Memorandum, recent investment performance and financial reports.

5.3 ACIF Prime Value SIV Emerging Companies Unit Class

Unit Class name	ACIF Prime Value SIV Emerging Companies Unit Class (or APVECUC) which will invest in a wholly owned sub-fund of the Fund called ACIF Prime Value SIV Emerging Companies Fund
Sub-Fund Trustee	DHF Investment Managers Pty Ltd (DHFIM)
Sub-Fund Investment Manager	Australia China Investment Fund Pty Ltd (ACIF)
Investment Strategy	The APVECUC will invest in the ACIF Prime Value SIV Emerging Companies Fund which invests in the Prime Value SIV Emerging Companies Protected Fund (Prime Value EC Fund). A minimum investment period of 5 years applies.
Prime Value EC Fund Trustee and Investment Manager	Prime Value Asset Management Limited (Prime Value) is the trustee and investment manager of the Prime Value EC Fund.
Sub-Fund Trustee and Administration fees	<p>DHFIM shall be paid \$5,000 per annum for acting as trustee of the ACIF Prime Value SIV Emerging Companies Fund and Vasco Fund Services Pty Limited shall be paid \$5,305 for undertaking fund accounting and registry functions. The administration fees are subject to an annual increase of 3% on the 1st of January each year.</p> <p>The Investment Manager will pay all the fees and expenses of APVECUC and the ACIF Prime Value SIV Emerging Companies Fund.</p>
Investment Manger Fees	<p>ACIF receives a referral fee from Prime Value of 3% of the amount invested plus 0.20% per annum of all funds invested in the Prime Value EC Fund up to an amount of \$12m being invested and a referral fee of 0.25% per annum once \$12m has been invested in the Prime Value EC Fund (including the first \$12m). ACIF will receive 50% of any performance fee charged by Prime Value.</p> <p>In addition, ACIF will receive a performance-based redemption fee of 50% of the value of your investment in excess of \$1.4m (assuming an amount of \$1.5m was invested). For larger or smaller amounts invested this fee will be pro-rated. This fee is payable upon the redemption of your investment.</p>
Fees of Prime Value EC Fund	<p>An establishment fee of 2.5% of the amount invested which is payable upon investing.</p> <p>An annual management fee of 1.00% of the amount invested. This fee is calculated and paid in advance.</p> <p>Prime Value is entitled to a performance fee of 50% of the total payment at redemption after all fees have been deducted above \$1.5m (assuming an amount of \$1.5m was invested). This fee is payable upon redemption of your units.</p>

5.3.1 *Investment Manager*

Prime Value is a multi-award winning boutique Australian investment manager with an impressive history of building wealth with investors since 1998. Prime Value, together with its sister company Shakespeare Property Group Pty Ltd, currently manages over \$1.7 billion in Australian equities, cash like instruments, property and alternative assets.

Prime Value applies a high conviction approach to investing in Australian Equities. We believe the reliance on market indices as an investment process is inefficient and instead, we concentrate on the underlying business model and the risk/reward proposition of the investment opportunity. We avoid the fashionable and shy away from the herd-like behaviour of the market. We invest in companies, not stocks.

5.3.2 *Key Features of the Prime Value EC Fund*

Prime Value created the Prime Value EC Fund specifically for SIV investors seeking a lower risk investment alternative for the emerging companies' component of their required investment.

The Prime Value EC Fund offers investors the opportunity to invest in a diversified portfolio of ASX listed securities with a market capitalisation of less than \$500m with portfolio protection to reduce the volatility of the investment. At the commencement of your investment you will know the expected minimum and maximum value of your portfolio at maturity.

The Prime Value EC Fund is structured as a series of protected portfolios and they offer investment opportunities at regular intervals throughout the year. They provide price protection through a combination of bought put and sold call options.

Each protected portfolio is a full term SIV complying investment.

Investors in this unit class should read the risks section particular to this unit class as outlined on page 39 of this information memorandum.

5.3.3 *Investment Objective*

Prime Value believe the small cap emerging companies sector can offer very positive investment returns and risks can be navigated. Timing is important and volatility is greater.

As SIV investors often do not have flexibility with their investment timing, Prime Value offer their protected fund.

Prime Value's objectives for the Prime Value EC Fund are twofold:

- to provide investors with a diversified portfolio of ASX listed securities with a market cap of less than A\$500M and
- to protect investors against significant permanent capital loss.

To protect investors, the Prime Value EC Fund enters into derivative contracts to reduce our investors' exposure to market movements. Each portfolio in the Prime Value EC Fund is protected from significant downside market movements by its own protection facility. To achieve this aim without expense to investors, upside price participation is also limited.

5.3.4 *Investment Philosophy*

Capital preservation

Prime Value's investment philosophy recognises the need for a balance between wealth creation and wealth preservation. A key tenet of their philosophy is the principle of avoiding or minimising mistakes in order to maximise returns. The best way they believe to do this is to buy quality companies, with an easily understood business model, at a discount to their intrinsic value. This approach underpins their stock selection and portfolio construction process. This minimising of mistakes is consistent with their belief that they are the Stewards of the money their investors entrust to them. In their view, investment risk is investing in companies that you don't understand.

Successful investing requires a balance between art and science

Prime Value believes success in investing depends on strategy and tactics, avoiding mistakes, flexibility, and commitment to action, nimbleness, intuitiveness and expertise. Prime Value believes they have exhibited these characteristics consistently since 1998.

High conviction investment

Prime Value believes that markets are inefficient and therefore provide opportunities for active investors. They believe they can be considered a high conviction manager and when evaluating investment opportunities, they focus on quality companies priced below their intrinsic value. As well as traditional fundamental analysis, they seek to identify the long-term macroeconomic, market and industry-based themes at play both domestically and globally.

Alignment of interests

As a measure of their confidence in the success of their investment strategies, they back their decisions with their own investments and share the risks and rewards along with their investors. 'Building Wealth Together' is more than simply a slogan; it is a statement of their personal commitment and confidence, which has helped to drive their past and continuing success.

5.3.5 *Investment Process*

Investing in emerging companies allows them opportunities often overlooked by major fund managers and stockbrokers. There are good reasons to look beyond the obvious. Stocks outside the ASX 100 are less researched and less influenced by trading and market factors and they are more suited to detailed fundamental analysis as the basis for investment selections. Prime Value portfolios are constructed based on the expected return characteristics of the individual companies. They invest in companies and remain free of benchmark constraints.

For each portfolio in the Prime Value EC Fund, portfolio protection is established for the full term of the investment. Prime Value work with their derivative provider to provide the most favourable terms for their investors.

5.3.6 *Investment Portfolio Parameters*

The Prime Value EC Fund is structured to comply with the SIV Complying Investment rules. Each portfolio in the Prime Value EC Fund will be comprised of a diversified selection of ASX listed securities, each issuer having a market capitalisation (market cap) of less than \$500m at the time of first investment. The Prime Value EC Fund will also hold cash.

The Prime Value EC Fund will use derivatives for risk management purposes only.

5.3.7 *Further Information*

Further information on the Prime Value EC Fund can be obtained from the Prime Value website at www.primevalue.com.au or calling them on +613 9098 8088.

5.4 ACIF Balancing Investment Unit Class

Unit Class name	ACIF Balancing Investment Unit Class (ABIUC) which will invest in a wholly owned sub-fund of the Fund, the ACIF Balancing Fund.
Sub-Fund Trustee	DHF Investment Managers Pty Ltd (DHFIM)
Sub-Fund Investment Manager	Australia China Investment Fund Pty Ltd (ACIF)
Administration Manager	Vasco Fund Services Pty Limited (VFS)
Investment Strategy	ABIUC invests in the ACIF Balancing Fund which invests in a range of commercial real estate related investments that will be structures to comply with the SIV rules.
Target Returns	<p>In selecting/assessing investments for the ACIF Balancing Fund, the Investment Manager is targeting total returns of approximately 4.5% per annum (after all fees and expenses) over the 4-year term</p> <p>There is no guarantee that the target return will be achieved.</p> <p>Where possible, and in order to mitigate the potential risk of below target returns, the Investment Manager will seek to obtain guarantees in relation to the investments made.</p>
Investment Options	<p>SIV investors seeking to invest \$5m in a range of SIV qualifying investments should invest in these investments via the ACIF Prosperity Fund.</p> <p>Should you wish to only invest in the ACIF Balancing Fund please complete the relevant section on the Application Form. The minimum investment amount for direct investment into the ACIF Balancing Fund is \$3 million.</p>
Sub-Fund Trustee and Administration fees	DHFIM shall be paid \$10,000 per annum for acting as trustee of the ACIF Balancing Fund. VFS shall be paid \$10,609 per annum and for undertaking fund accounting and registry functions. The administration fee is subject to a 3% annual increase on 1 January each year.
Investment Manger Fees	<p>The Investment Manager is entitled to a performance fee of any returns in excess of 4.5% per annum after payment of all expenses of the ABIUC and after any previous under-performance has been recovered. This fee is paid in arrears on a quarterly basis.</p> <p>The Investment Manager will also be remunerated through being paid establishment fees or referral fees by parties with which the ABIUC may deal and via the performance fee described above.</p>

5.4.1 *Investment Manager*

The investment manager of the ACIF Balancing Fund is Australia China Investment Fund Pty Ltd. For further details please see section 6.2.

5.4.2 *Key Features of the Fund*

- An Investment Manager with significant experience in the Australian property market
- Access to commercial property investment opportunities.
- The ACIF Balancing Fund aims to provide investors the opportunity to receive quarterly returns through investing in commercial real estate opportunities.
- Commercial and infrastructure property assets are expected to comprise at least 90% of the assets of the Fund.
- The ACIF Balancing Fund is targeting a return of 4.5% per annum (after all fees and expenses) over the long term.

5.4.3 *Investment Objective, Strategy and Potential Guarantee*

The aim of the ACIF Balancing Fund is to invest in a range of commercial and infrastructure real estate related investments so as to produce an attractive return to investors. It is anticipated the investments will comprise preferred equity or similar positions in commercial and infrastructure real estate projects and in all cases will be SIV-compliant.

Where possible, and in order to mitigate the potential risk of below target returns, the Investment Manager will seek to obtain guarantees in relation to investments made by the Fund.

Currently the ACIF Balancing Fund is invested in the ICAM Westpac House Investment Trust 1 (Westpac Trust) and the ICAM Duxton STC Land Trust (Duxton Trust). The Westpac Trust owns a 50% interest in the iconic office tower, Westpac House, located at 91 King William Street, Adelaide, South Australia. The Duxton Trust owns land upon which the Lucky Bay Port – a shallow harbour mixed-use agricultural port project on the Eyre Peninsula, South Australia – is well under construction and expected to be completed later this year.

Subject to the Investment Manager conducting their due diligence to ensure SIV compliance, the ACIF Balancing Fund may also invest in the ICAM ACIF Land Trust. The ICAM ACIF Land Trust has acquired coastal land in Wallaroo, South Australia in order to develop and expand the land into a specialist bulk grain exporting port facility using transshipment technology.

5.4.4 *Investment Process*

The Investment Manager implements a stringent, systematic and documented process for all investment decisions – the process of which has been documented in a detailed investment policy.

The key steps in the investment process are:

- Origination of investment opportunities sourced through the comprehensive networks, extensive industry knowledge and contacts;
- Evaluation of investment opportunities involving the consideration of material matters in relation to the opportunity, the investment strategy and criteria of the ACIF Balancing Fund and the construction of a detailed valuation and cash flow model;

- Development of indicative transaction terms which are subject to due diligence and relevant Investment Manager board approvals;
- Detailed due diligence will be conducted covering commercial, technical, tax and legal matters and using expert advisers as appropriate;
- Development of an investment proposal will be submitted to DHFIM setting out the reasons as to why the DHFIM as trustee of the ACIF Balancing Fund should proceed with the investment;
- To the extent to which there are potential conflicts, the Investment Manager will consult with the DHFIM as trustee of the ACIF Balancing Fund to seek approval for the investment to proceed; and
- After the investment has been entered into the Investment Manager will wherever possible work closely with the developer to enhance the value of the investment.

The ACIF Balancing Fund's investment policy sets out the detailed process and procedures, in relation to such matters as accounting, taxation and custodial arrangements that will be carried out by the DHF as trustee of the ACIF Balancing Fund and the Investment Manager in relation to the ongoing management and administration of the ACIF Balancing Fund.

The constitution for the ACIF Balancing Fund provides that, while there are three or less unitholders in the ACIF Balancing Fund (**ACIF Balancing Fund Investors**), DHFIM as trustee of the ACIF Balancing Fund must act on the unanimous direction of the ACIF Balancing Fund Investors.

5.4.5 *Post-Acquisition Monitoring of Investment*

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

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

5.5 Venture Capital or Private Equity Fund

Fund name	<p>Previously, Vantage Private Equity Growth 3 (VPEG3) was available to Investors. VPEG3 closed to new investors in March 2019. Investors now have the opportunity to invest in Vantage Private Equity Growth 4 (VPEG4).</p> <p>Additional funds may be offered in the future.</p>
Investment Manager	Vantage Private Equity Management Partnership, LP, an authorised representative of Vantage Asset Management Pty Ltd (Vantage)
Investment Strategy	Investments in SIV complying high performing growth private equity funds.
Investment Manager Fee	<p>The Investment Manager will receive the following fees:</p> <ul style="list-style-type: none"> • Management Fee of 1.25% p.a. of the aggregate committed capital calculated daily and paid quarterly in advance. • Performance Fee of 10% above a 15% per annum net IRR hurdle payable only after investors have received the return of their invested capital and a net return of 15% per annum. <p>Further details of the fees payable are detailed in the VPEG4 Information Memorandum available from the Trustee or Vantage.</p>
Referral Fee	<p>Australia China Investment Fund Pty Ltd shall receive a referral fee from Vantage of 2% of any funds invested in VPEG4 plus 0.5% per annum of funds invested for 4 years. This fee is payable by Vantage from the assets of VPEG4. In addition, a fee will be payable to Australia China Investment Fund Pty Ltd equal to 50% of any return in excess of 4.5% per annum received by the investor from VPEG4. This fee may be deducted from monies retained on the investor's behalf in the Vasco Cash Enhanced Fund.</p>
Investment Process	<p>In completing the Application Form, Investors will be authorising the Trustee to hold \$500,000 of their investment amount in escrow for investment in VPEG4, pursuant to an escrow agreement between the Trustee and Vantage. This amount will be invested in the Vasco Cash Enhanced Fund until called by Vantage for investment in VPEG4.</p> <p>The Application Form contains a power of attorney which will enable the Trustee to complete the relevant application forms for the Vasco Cash Enhanced Fund and, VPEG4 on your behalf.</p> <p>Your investment in VPEG4 does not form part of the Fund.</p>
Investment Strategy	<p>The Vasco Cash Enhanced Fund invests in bank deposits and term deposits with authorised banking institutions and floating rate notes listed on the ASX.</p> <p>Details of the investment strategy for VPEG4 are set out below.</p>

Disclosure documents

The disclosure documents for both the Vasco Cash Enhanced Fund and VPEG4 are available by contacting the Trustee on +61 3 8352 7120. It is highly recommended that you read both disclosure documents in their entirety before investing in the Fund.

5.5.1 Investment Manager

Vantage Asset Management Pty Ltd, the general partner of Vantage Private Equity Management Partnership, LP, was established in 2004 and is a leading independent manager of private equity. Vantage develops and manages innovative and well-structured, institutional grade, private equity investment funds for Significant Investor Visa (SIV) applicants, sophisticated investors and high net worth individuals.

As at 30 June 2018, the 19 Private Equity funds in which Vantage's funds have commitments had subsequently invested in 97 underlying companies of which 45 had been exited or sold. Those exits have generated 2.6 times the original cost of the investment into those companies and delivered an average gross IRR to VPEG of 34% across an average hold period of 4.5 years.

Vantage's current offering, Vantage Private Equity Growth 4 (**VPEG4**), is a SIV complying, AusIndustry registered, Australian Fund of Funds and will follow the same successful investment strategy into growth private equity, as its predecessor funds Vantage Private Equity Growth Limited (**VPEG1**), Vantage Private Equity Growth 2 (**VPEG2**) and Vantage Private Equity Growth 3 (**VPEG3**). VPEG4 is a fund of funds investment strategy ultimately managed by Vantage Asset Management Pty Ltd focused exclusively on small to mid-market growth private equity.

5.5.2 Key Features of the Fund

- VPEG4 is an AusIndustry registered SIV complying Australian Fund of Funds.
- The minimum investment for SIV applicants in VPEG4 is \$500,000.
- Vantage has engaged Vasco as the cash trust manager for VPEG4 application monies. An escrow agreement exists between Vasco as trustee of the Vasco Cash Enhanced Fund and VPEG4 to ensure all capital calls issued by VPEG4 are met.
- Once an application is received by VPEG4 and application monies are received by Vasco, a commitment with VPEG4 will exist.
- While your investment is held in the Vasco Cash Enhanced Fund, all distributions from the Vasco Cash Enhanced Fund will be reinvested.
- Distributions are paid by VPEG4 following receipt by each of the underlying private equity fund investments. Distributions paid prior to end of provisional visa period will be reinvested in the Vasco Cash Enhanced Fund until it can be released to the Investor in accordance with visa regulations.
- The businesses invested in by the funds selected by Vantage typically have a strong market position and generate strong cash flows allowing Vantage to generate strong consistent returns to investors.
- A key factor in Vantage's investment strategy is risk minimization. This is obtained by diversification of underlying investments across a range of parameters including fund manager, geographic region and industry sector.

5.5.3 *Investment Objective and Strategy*

Investors in the Fund will be given an opportunity to invest directly in VPEG4. Your investment will be monitored by the Investment Manager who will report to you periodically on its performance.

Note: Your investment in VPEG4 or any other VCPEF will not be made via the Fund, but will be arranged for you separately in order to take advantage of the tax benefits available to investors in Australian venture capital funds.

5.5.4 *Further Information*

Further information on VPEG4 is available from the Vantage website at www.vantageasset.com or by calling +61 2 8211 0477.

6. Management of the Fund

6.1 The Trustee and Administration Manager

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

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

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

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

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

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

Vasco Fund Services Pty Limited is the Administration Manager of ACIF Prosperity Fund and the Sub Funds.

6.2 The Investment Manager

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

Australia China Investment Fund Pty Ltd 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 Significant Investor Visa program.

All board members are highly qualified and have considerable experience in a wide range of business and investment areas.

In addition, the board has an extensive network of specialist advisers in the real estate and construction industries.

Directors of Australia China Investment Fund Pty Ltd include:

- **John Wang**

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

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

– **James Forbes**

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

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

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

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

– **Kazmer Ujvari**

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

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

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

6.3 Trustee of Sub-Funds

DHF Investment Managers Pty Ltd is the Trustee of the Sub Funds. DHF Investment Managers Pty Ltd is a part of the Vasco group that provides responsible entity, trustee and fund administration services to Australian and international investment managers.

7. Summary of Major Terms

7.1 Summary of Terms

The following constitutes a summary of the principal terms of the Fund and the Offer. This summary of terms:

- is provided only for the purposes of gaining a general understanding of the proposed Offer described herein;
- may only be provided to a person who is (and by viewing this Memorandum you are representing and warranting that you are) a 'wholesale client' under the Corporations Act or is otherwise permitted by law to participate in the Offer;
- must not be distributed or otherwise provided to any person other than the person to whom it was first given; and
- has been prepared without taking into account the objectives, financial situation or needs of any individual prospective Investor.

Each prospective Investor should consult with independent counsel regarding the matters set forth in this Memorandum, including the risks which are described in Section 7, as well as any other legal, business, tax, accounting, or other related matters relevant to an investment by such investor in the Fund in order to gain a full understanding of the Fund and the Offer.

Before making an investment decision in relation to the Fund's, potential Investors should review the Fund Agreements (and in particular, the Trust Deed and the trust deeds for the Sub-Funds, in their entirety. Copies of the Fund Agreements will be provided to each prospective investor on request. The terms of the Offer are subject to change without notice.

The Fund	<p>The Fund has been formed as a unit trust established under, and governed by, Australian law.</p> <p>The Fund has been established by and will be operated by the Trustee.</p>
The Investment Manager	Australia China Investment Fund Pty Ltd has been appointed as the investment manager and will provide investment management services.
Administration Manager	Vasco Fund Services Pty Limited will act as Administration Manager of the Fund and sub-Funds. The Administration Manager will be responsible for the administration of the Fund including registry, fund accounting, compliance and other activities.
Trustee of Sub-Funds	DHF Investment Managers Pty Ltd is the trustee of the sub-Funds.
Offering size	<p>The Investment Manager is seeking to raise \$60 million. However, there is no minimum or maximum subscription level restriction on the amount that can be raised.</p> <p>As at 31 May 2019, the Fund had gross assets of \$34,853,314.</p>

Minimum commitment	<p>The minimum aggregate applications required to be made by an Investor will be \$5,000,000, although \$500,000 of this investment amount will not be invested in the Fund but held in escrow by the Trustee for investment in VPEG4. Investors may invest directly in the ACIF Balancing Fund where the minimum investment is \$3,000,000. The Trustee may accept investments of lesser amounts in its discretion.</p>
Issue of Units	<p>Units will ordinarily be issued as at the end of the month and processed by the tenth business day of the month following receipt of an Application. The processing of Applications might be delayed if the Trustee is unable to calculate the Unit Price.</p>
Unit Price	<p>The price of a Unit will be calculated by reference to the underlying value of the Fund's assets in accordance with the terms of the Trust Deed.</p> <p>The withdrawal price for a Unit is also based on the underlying value of the Fund's assets. This price may be different from the price originally paid for the Unit.</p> <p>The Unit prices that will apply to your application will be the Unit prices determined by the Trustee on the last business day of the month during which your application is received by the Trustee. Where the Trustee is reliant on third party information to calculate the Unit Price this determination may be delayed until such time as the information is received.</p> <p>Unit prices for the ACECUC Units, APVECUC Units and the ABIUC Units are available at www.vascofm.com. However, the actual Unit prices applied might be different from the Unit prices shown on the website at the time your Application Form is lodged because the Unit price used will be the one set at the end of the calendar month following receipt of your application.</p>
Unit Class	<p>There are three classes of Units in the Fund. Each Investor will be issued with either ACECUC Units or APVECUC Units, and ABIUC Units.</p> <p>Funds subscribed for ACECUC Units will be invested in the ACIF Emerging Companies Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Emerging Companies Fund.</p> <p>Funds subscribed for APVECUC Units will be invested in the ACIF Prime Value SIV Emerging Companies Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Prime Value SIV Emerging Companies Fund.</p> <p>Funds subscribed for ABIUC Units will be invested in the ACIF Balancing Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Balancing Fund.</p>
Distributions	<p>Distributions of income (if any) are expected to be paid on a quarterly basis for ABIUC, and on an annual basis for ACECUC, and within 14 days of the receipt of income from investments held by the Trustee. APVECUC does not pay any distributions.</p>

	<p>Distributions are subject to the Trustee's discretion to pay distributions sooner and depending on the speed at which the underlying investments in which the Fund invests pay their distributions and calculate their unit prices.</p> <p>It is generally expected that where distributions are calculated on the last Business Day of each financial year, investors should allow up to 60 Business Days after the date which distributions are calculated to pay distributions to investors.</p> <p>The Trustee may decide not to distribute amounts which it reasonably considers necessary for operating or funding investments and to create, if it considers this to be in the Investors' best interests, appropriate reserves for the obligations and activities, as well as for any required tax withholdings. Taxes paid or withheld that are allocable to one or more Investors will be deemed to have been distributed to such Investors for the purposes of determining the above calculations.</p> <p>During the term of the Fund, where the Investment Manager considers that a certain reinvestment opportunity would increase the Fund's overall return, the Trustee may on advice from the Investment Manager reinvest the proceeds from the sale of assets, consistent with the Fund's Investment Guidelines from time to time.</p>
Investment Management Fee	<p>The Investment Manager will not charge any annual management fees for their role as investment manager of the Fund or sub-Funds.</p> <p>The Investment Manager will be remunerated through being paid:</p> <ul style="list-style-type: none"> • referral fees by the manager of VPEG4, Prime Value EC Fund, and Cyan EC Fund; • an establishment fee or referral fee by parties with which ABIUC may deal; and • performance fees and performance-based redemption fees as detailed earlier in this document.
Trustee Fee	<p>The Trustee is entitled to receive an establishment fee of \$19,500 (plus GST) and an annual fee for acting as trustee of the Fund. This annual fee will be equal to the greater of:</p> <ul style="list-style-type: none"> • \$25,000 (plus GST); or • 0.10% (plus GST) per annum of the gross asset value of the Fund. <p>This fee will be paid monthly in arrears out of the assets of the Fund.</p> <p>DHF Investment Managers Pty Ltd is entitled to a fee of \$5,000 per annum for acting as trustee of the ACIF Emerging Companies Fund and ACIF Prime Value SIV Emerging Companies Fund and \$10,000 per annum for acting as trustee of the ACIF Balancing Fund.</p>

	<p>The Investment Manager will pay all the fees and expenses of the APVECUC and the ACIF Prime Value Emerging Companies Fund.</p>
Administration Fee	<p>The Administration Manager will also be paid a base fee of up to \$26,523 (plus GST) per annum for acting as administration manager of the Fund, subject to an annual increase of 3% on the 1st of January each year.</p> <p>Vasco Fund Services Pty Limited is entitled to \$5,305 per annum for undertaking administration for the ACIF Emerging Companies Fund and ACIF Prime Value SIV Emerging Companies Fund and an additional \$10,609 per annum for acting as administration manager of the ACIF Balancing Fund. These fees are subject to an annual increase of 3% on the 1st of January each year.</p> <p>The Investment Manager will pay all the fees and expenses of the APVECUC and the ACIF Prime Value Emerging Companies Fund.</p>
Offering and Organisational Expenses	<p>The Trustee will pay out of the assets of the Fund all legal, accounting, filing, travel and other out-of-pocket fees and expenses incurred in connection with establishing the Fund and the offering of interests therein.</p>
Other Expenses	<p>Except as specifically set forth elsewhere herein, the Trustee will pay, out of the assets of the Fund, all expenses related to its operation, including fees, costs, and expenses of the Fund, the Trustee and the Investment Manager (including travel and related expenses) incurred in connection with potential investments (including investments that are not consummated) and the acquisition, financing, holding, sale, proposed sale or valuation of any investment (including the repayment of such financings, the costs of establishing and maintaining any borrowing facility, the fees and expenses of the Trustee, all litigation-related and indemnification expenses, fees of auditors, fees of due diligence consultants (including, without limitation, financial, physical and environmental consultants) and counsel, administrative expenses, costs of holding Investor meetings, costs of preparation of tax returns and any taxes, fees or other governmental charges levied against the Trustee, in its capacity as trustee of the Fund.</p> <p>The Trustee will also pay all general overhead expenses, including the compensation of personnel of itself and the Investment Manager who act on its behalf relating to their duties and responsibilities from the assets of the Fund.</p>
Transfer of Interests	<p>Units may not be sold, transferred, pledged or assigned by an Investor without the prior written consent of the Trustee (which may be given or withheld in the Trustee's sole and absolute discretion and such discretion will be exercised in the best interest of the Investors). No trading market will exist for the units in the Fund.</p> <p>Notwithstanding the foregoing, but subject to requirements of applicable law and other conditions set forth in more detail in the Fund Agreement, the Trustee will not unreasonably withhold its consent to the transfer by an Investor of all or a portion of such Investor's units to any entity that is wholly owned by or under common ownership with such Investor.</p>

Withdrawal/ Redemption	<p>The Trust Deed prohibits Investors from withdraw any amount from the Fund until the expiration of 4 years from the date of their investment. Investment in the ACIF Prime Value SIV Emerging Company Units has a minimum investment term of 5 years.</p> <p>After the expiration of the initial four-year period, Investors may submit a withdrawal request. However, the Trustee does not guarantee that the amount of cash available in the Fund will be sufficient for an Investor to withdraw all of their investment, plus the Trustee may consider it would be a material disadvantage to the Fund if some or all requests were met. You therefore may not be able to withdraw your investment when you need it. Withdrawal requests that can be satisfied will be done so within 60 days of receipt of requests. Only the proceeds from realisation of assets of the ACIF Emerging Companies Fund will be used to satisfy withdrawal requests from ACECUC Investors, only the proceeds from realisation of assets of the ACIF Prime Value SIV Emerging Companies Fund will be used to satisfy withdrawal requests from APVECUC Investors only assets of the ACIF Balancing Fund used to satisfy withdrawal requests from ABIUC Investors.</p> <p>Investors should also note that their Units may be redeemed by the Trustee in certain circumstances specified in the Trust Deed, including if the Trustee determines, in its sole and absolute discretion that it would be in the best interests of Investors to do so.</p>
Indemnification	<p>The Trustee is entitled to be indemnified out of the Fund for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.</p> <p>The Investment Manager is similarly entitled to be indemnified by the Trustee (out of the assets of the Fund) for all claims, losses, liabilities, damages, costs and expenses ("Costs") incurred by them in relation to the performance of their role as Investment Manager. However, the Investment Manager is not entitled to be indemnified by the Trustee and will be liable to the Fund for any Costs arising as a result of their fraud, gross negligence, willful default or material breach of the agreement under which they are appointed.</p>
Applications	<p>Persons interested in investing in the Fund are required to complete and return to the Administration Manager the Application Forms and identity verification forms, copies of which will be made available to each prospective Investor. Applications may be rejected in whole or in part in the Trustee's sole discretion.</p>
Amendments	<p>The terms of the Trust Deed may be amended by the Trustee, subject to the Trustee's duties and obligations to Investors. The Trustee will not make any amendments to the Trust Deed that it considers would be materially adverse to Investors, without seeking the approval of Investors.</p>
Investor Meetings	<p>Investors holding at least 15% of the votes that may be cast on the resolution may call a meeting.</p>

Reports	<p>The Fund will furnish Investors with financial statements and tax information necessary for the completion of Investor tax returns on an annual basis. On a six-monthly basis, each Investor will be furnished with a summary report on the Fund's investments.</p> <p>On an annual basis, financial statements will be provided to Investors as soon as practicable after the end of the financial year.</p> <p>Investors may not disclose information contained in any report without the consent of the Investment Manager or as required by law.</p> <p>The Investment Manager of the VCPEF will report separately to investors.</p>
Affiliated Parties	<p>The Investment Manager and the Trustee will be entitled to engage their affiliates to provide corporate advisory services to the Fund in respect of investments made by the Fund (including, without limitation, underwriting, arranging, corporate transaction advice and other similar investment banking services). Amounts payable by the Fund to such affiliates for performance of any such services for the benefit of the Fund will be on market terms and will be reviewed by the independent members of the board of the Trustee on an annual basis. For clarity, such fees will not offset the Management Fee.</p>
Related Party Transactions	<p>The Trustee and Investment Manager may engage in related party transactions when viewed as being in the best interest of Investors. Any related party transactions will be managed in accordance with Vasco's related party policy.</p>

8. Risks

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.

Before investing, prospective investors should consider whether the Fund is a suitable investment, having regard to their personal investment objectives, financial position, and particular needs and circumstances. Investors should also consider and take into account the level of risk with which they are comfortable, the level of returns they require, as well as their frequency and nature, and their investment time horizon. Investors should seek professional advice in setting their investment objectives and strategies.

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

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

8.1 Risks applicable to all investments in the Fund

8.1.1 *SIV risk*

Investment in the Fund may not be considered a complying significant investment and accordingly the Department of Border Protection and Immigration may not grant a Permanent SIV or revoke an

Investor's Provisional SIV. Alternatively, the SIV requirements may change during the life of the Fund and investments may no longer be considered complying significant investments.

The Investment Manager has taken reasonable steps to ensure that it is making SIV compliant investments. However, Investors should seek independent legal advice to ensure that an investment in the Fund is a complying significant investment.

8.1.2 *Investment risk*

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

8.1.3 *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 risks in the Fund's portfolio and thus affect the ability to pay distributions or reduce the value of the units.

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

The Fund is relying on the ability of the Investment Manager and its investment professionals to achieve the Fund's objectives when investing in projects. If the Investment Manager and/or its investment professionals were not to continue in their respective roles, the Fund may not be able to achieve its objectives.

8.1.4 *Key personnel risk*

The Trustee and Investment Manager both rely on a small number of professionals. In particular, Mr Craig Dunstan is a key individual of the Trustee, and Mr John Wang is responsible for implementing the investment strategy of the Fund. If either of these people or any other key personnel from the Trustee or the Investment Manager resigned, or were terminated, a suitable replacement may not be achieved within a reasonable time frame, and any replacement would be subject to similar risks.

8.1.5 *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.

8.1.6 *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 in the Fund and it is unlikely that any active secondary market will develop. There are substantial restrictions upon the transferability of Units under the Fund Agreements and applicable securities laws.

In particular, there will be no withdrawal rights during the first four years of investment. Furthermore, if a withdrawal request is submitted, only the proceeds from realisation of assets of the ACIF Emerging Companies Fund will be used to satisfy withdrawal requests from ACECUC Investors, only the proceeds from realisation of assets of the ACIF Prime Value SIV Emerging Companies Fund will be used to satisfy withdrawal requests from APVECUC Investors and only assets of the ACIF Balancing Fund used to satisfy withdrawal requests from ABIUC Investors. Those assets may be insufficient to satisfy withdrawal request in full or at all.

Investors must also note withdrawal requests do not need to be met if the Trustee considers it would be a material disadvantage to the Fund if some or all requests were met

You should only consider an investment in this Fund if you are not likely to require access to your investment in the medium term.

8.1.7 *Information not complete or accurate*

The Investment Manager is not in a position to confirm the completeness, genuineness or accuracy of any information or data included in this Memorandum. A significant amount of the material provided in this Memorandum was supplied by third parties. This information has not been audited or independently reviewed.

8.1.8 *Tax risk*

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

8.1.9 *Value of unit risk*

The value of a Unit may rise or fall. A fall in the value of the Fund's assets may result in a fall in the Unit price. Asset values are affected by a number of factors which may include supply and demand of competing property assets, interest rates, market sentiment, government policy, taxation and general market conditions.

8.1.10 *Operating history*

The Fund has a short operating history upon which Investors may base an evaluation of its likely performance.

The performance of the ABIUC Units will depend on the Investment Manager's ability to carry out the proposed investment strategy successfully. While the principals of the Investment Manager have previous experience making and managing investments of the type contemplated by the ACIF Balancing Fund, there can be no assurance that the ACIF Balancing Fund's investments will achieve the targeted rate of return for the ABIUC Units of 4.5% per annum over a four-year term.

The performance of the ACECUC Units will depend solely upon the performance of the Cyan EC Fund. While Cyan Investment Management Pty Ltd has experience in making and managing investments of the type contemplated by the Cyan EC Fund, there is no assurance the Cyan EC Fund will achieve the targeted outperformance of the S&P/ASX Small Ordinaries Accumulation Index or an absolute return over the long term (e.g. 7-10 years) in excess of 10% per annum.

The performance of the APVECUC Units will depend solely upon the performance of the Prime Value EC Fund. While Prime Value Asset Management Limited has experience in making and managing investments of the type contemplated by the Prime Value EC Fund, there is no assurance the Prime Value EC Fund will achieve their performance objective.

8.1.11 *Fees and expenses*

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

8.1.12 *Currency risk*

The Fund's investment will be denominated 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.

8.1.13 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. The Fund is reserved to certain sophisticated investors who are required to be aware of the risks involved in an investment in property and who accept that they will have recourse only to the Fund's assets in existence at any given time.

8.1.14 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.

8.1.15 Other risks

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

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

8.2 Risks applicable to ABIUC Units

Investment made by ABIUC will be SIV compliant investments in commercial real estate. The nature of the investment may be an equity position or other compliant structure.

8.2.1 Diversification risk

The ACIF Balancing Fund will be predominantly investing in real estate development projects. As such, the ABIUC may not be diversified by sector or geography and the ABIUC, and consequently the ABIUC Units, will be exposed to any events which have an adverse effect on the value of the underlying assets in the real estate sector.

8.2.2 Documentation risk

Legal risks may arise where contracts used by the ACIF Balancing Fund to make an investment are found to be defective or unenforceable against counterparties. To manage this risk, the Trustee or Investment Manager will ensure that a reputable legal practitioner with professional indemnity insurance is engaged to prepare and finalise legal agreements.

8.2.3 *Underlying 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 value of underlying property over which a security interest may be granted. These may result in a reduction of distributions and returns as well as the capital value of the underlying property.

8.2.4 *Market risk*

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

8.2.5 *Planning and development risk*

The Fund may invest with developers undertaking planning works and there are numerous risks associated with such works. For example, the Fund could be exposed to adverse planning and building approvals and timing delays which could occur at any stage of the process, increasing the duration of projects and impacting negatively on cash flows. Approval may not be granted or granted on conditions the Trustee does not find acceptable. These risks cannot be completely mitigated however the Trustee intends to mitigate them where possible by including appropriate safeguards in its contracts. There is also a risk that contractors may default under the terms of a contract due to circumstances outside the Trustee's control (for example, if a contractor becomes insolvent). This may in turn affect the value of the underlying property over which a security interest may be granted.

8.2.6 *Environmental, Social and Governance risks*

Land contamination, the presence of hazardous materials, asbestos or other contaminants may be found on the projects and have an adverse impact on the ABIUC.

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

8.2.7 *Interest rate risk*

Fluctuations in market interest rates may impact ACIF Balancing Fund's investment. For example, rising market interest rates may increase a variable loan borrower's interest costs, making it more difficult to make regular payments.

8.2.8 *Return of Capital*

The return of capital and the realisation of gains, if any, generally will occur only upon the partial or complete repayment of the investment. Given the nature of the ACIF Balancing Fund, it is not expected that this will occur until 4 to 5 years after the initial Investment. Before such time, there will be no capital return on the Balancing Investments made by ACIF Balancing Fund. Investors should also note that Fund operating expenses, including annual management fees, may exceed income from investments and therefore requiring the difference to be paid from the Fund's assets.

8.2.9 *Valuation Risk*

This is the risk that valuation of a property over which a security interest is granted is inaccurate at the time of making the investment so that the amount realised on enforcement of a security interest is less than would have been expected had the valuation been correct. There is also the risk that a valuer who provides an inaccurate

valuation does not have or no longer has adequate professional indemnity insurance to cover the valuation on which the lender relies. In the event that the valuations obtained by purchasers to secure finance are below the purchase price, this may adversely impact their ability to settle.

8.2.10 *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.

The Investment Manager is entitled to receive from parties with which the Fund invests and retain for its own purposes an establishment fee of 4.5% (plus GST) of any investment advanced by the Fund.

This fee is to cover costs incurred by the Investment Manager in establishing the Fund and the costs of raising capital. This fee may potentially create a conflict of interest in that the payment of the fee could potentially influence the due diligence process. The Investment Manager believes that any conflict of interest is mitigated by the use of independent external advisers in the due diligence process.

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

8.3 **Risks applicable to ACECUC Units and APVECUC Units**

8.3.1 *Liquidity risk*

Securities may lack liquidity because of insufficient trading activity and this may make it difficult or impossible for a trade to be executed within a favourable time frame. As a result, a potentially profitable trade may not be executed or it may not be possible to close out a position in a timely fashion leading to reduced profits and higher losses for the ACIF Emerging Companies Fund and ACIF Prime Value SIV Emerging Companies Fund, and consequently the ACECUC Units and APVECUC Units respectively.

8.3.2 *Securities market risk*

Changes in securities prices across the relevant securities markets in which the Cyan EC Fund and Prime Value EC Fund invests may adversely affect the performance of the ACECUC Units and APVECUC Units respectively. Factors that drive changes in securities prices include changing profitability of companies and industries, economic cycles, volume of share issuance, investor demand levels, business confidence and government and central bank policies including the level and direction of interest rates and natural disasters and man-made disasters beyond the control of Cyan, Prime Value, the Investment Manager and the Trustee.

8.3.3 *Company specific risk*

Company specific risk is inherent in a particular stock's performance due to factors that are pertinent to that company. These factors will cause a stock's return to differ from that of the market. Actively managed funds look to gain exposure to this risk in order to attempt to outperform the market; however this exposure can also lead to underperformance.

8.3.4 *Volatility risk*

Volatility risk is the potential for the price of the ACIF Emerging Companies Fund's and ACIF Prime Value SIV Emerging Companies Fund's investments or the unit price of the ACECUC Units and APVECUC Units respectively to vary, sometimes markedly and over a short period of time.

Investments in equity securities are traditionally towards the higher end of the risk-return spectrum and an investment in the ACECUC Units and APVECUC Units should be considered a speculative investment. This may lead to fluctuations in the Unit price and/or amounts distributed to Investors, including fluctuation over the period between a redemption request being made and the time of redemption

8.3.5 *Mid cap securities risk*

The securities of mid cap companies generally trade in lower volumes and are generally subject to greater and less predictable price changes than securities of larger capitalisation companies.

Specific Risks Associated with APVECUC Units and its investment indirectly in the Prime Value SIV Emerging Companies Protected Fund

Prime Value EC Fund uses derivatives for risk management purposes. The main risks associated with trading derivatives are market risk, counterparty risk, liquidity risk and early termination risk.

The value of a derivative is determined by the value of the underlying asset. Derivatives can be highly sensitive to changes in market prices and involve higher levels of risk than the underlying asset. This greater risk is due to a lower capital outlay required to gain exposure to the relevant asset and for the same capital outlay potential losses and gains can significantly magnified. Prime Value has stated that they use derivatives for risk management purposes only and do not use derivatives to leverage the Prime Value EC Fund.

Counterparty risk is the risk that the institution with which you have entered a financial contract (the counterparty) will default on an obligation and fail to fulfil their side of the contractual arrangements. The derivative contracts used to protect the portfolio are provided by a third party and there is a risk the derivative counterparty will fail their contractual obligations. In the event of a default by the derivative counterparty, and depending on the value of the amounts owing, investors may lose a significant portion of their capital.

Liquidity risk applies when a party wishes to close out a derivative contract prior to maturity. Lower liquidity can result in a significantly greater transaction costs.

Early Termination Risk – Derivative contracts are transacted in financial markets with standard early termination clauses to protect counterparties. These clauses give the right to terminate the derivative contracts before maturity in certain circumstances. These circumstances include events such as market disruption, changes in law, impossibility and hedging disruption.

Should you want more information in relation to the risks of investing in this unit class you should read the full Information Memorandum of the Prime Value EC Fund.

8.4 **Risks applicable to VCPEFS**

The risks applicable to your VCPEF investment will be set out in the disclosure document for the VCPEF. You should consider that disclosure in detail prior making an investment. A summary of some of the risks that may apply to a VCPEF investment is provided below.

8.4.1 *Deal flow*

Vantage Asset Management Pty Ltd may not be able to identify and reach agreement with a sufficient number of suitable investee companies or unit trusts.

8.4.2 *Venture Capital investment risks*

There are a number of risks that are specific to venture capital and early stage investments:

- The inherent risks associated with investing in a company that has been recently established and does not have a long history of trading results
- An investee company may suffer a loss of experienced staff;
- An investee company may not achieve market acceptance of its products and services;
- An investee company may be unable to scale its operations or manage its cash flows; and/or
- An investee company's customer database may reduce in quality and size.

Note that VPEG4 will not invest in venture capital investments but only into growth private equity opportunities.

8.4.3 *No Public Market Risk*

There is generally no secondary public market for Partnership Interests held in VPEG4 other than that provided by the General Partner. Investors are also subject to restrictions on transferring, selling or otherwise disposing of their Partnership Interests under securities laws of various jurisdictions and the Partnership Deed. In the case where an Investor may seek to transfer their Partnership Interests but can't, the Investor may nevertheless be permitted to redeem some or all of their Partnership Interests in VPEG4 in accordance with the redemption procedures set out in the VPEG4 Information Memorandum and the Partnership Deed.

In certain circumstances, as detailed in Section 8, of the VPEG4 Information Memorandum there is a risk that the General Partner may be prevented from satisfying redemption at the time the Investor is seeking to dispose of their partnership interests.

8.4.4 *Asset Class Inherent Risk*

Investment in private equity can be of a higher risk than traditional asset sectors, due to the illiquid nature of the asset class and some investments may fail which may result in a loss of some of investors' capital.

8.4.5 *Competition*

Competing businesses including those with superior products or technologies may adversely affect an investee company which may have a material adverse effect on returns to Investors. The introduction of new competitors or a more aggressive competitive response from existing participants may affect the operating performance of an investee company. There is no assurance that an investee company will be able to compete successfully in its marketplace and any increase in competition could adversely affect the earnings of an investee company.

Additionally, the markets in which the Investee Companies operate may also carry risks. These risks include:

- The overall market perception of the industry sector in which the Investee Company operates;
- Developments in patents or other intellectual property of any Investee Company or its competitors and
- Announcements of technical innovations by an Investee Company or its competitors.

9. Tax and Regulatory Considerations

The information in this section is of a general nature and is not, nor is it intended to be, tax advice, and cannot be relied upon as such. Each Investor must take full and sole responsibility for their investment in the Fund, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of the investment. Accordingly, prospective applicants should seek personal tax advice to take into account their individual circumstances.

This summary provides an outline of the principal Australian tax consequences relating to the acquisition, holding and disposal of Units for an Investor who holds their investment in the Fund on capital account.

The summary does not address the tax implications for Investors that:

- (a) hold their Units on revenue account or as trading stock;
- (b) make an election under the Taxation of Financial Arrangements (TOFA) provisions that affects the recognition of income in respect of units;
- (c) are exempt from Australian tax; or
- (d) are temporary residents of Australia.

The summary does not address the tax implications for persons that invest in the Fund indirectly.

Taxation issues are complex and taxation laws, their interpretation and associated administrative practices may change over the term of an investment in the Fund. The information contained in this section is of a general nature only. It is based on, and limited to, Australian tax law and practice in effect at the date of this IM.

9.1 Fund Structure

The Fund is an unlisted, unregistered Australian unit trust scheme that will invest in a diverse range of asset classes. The Fund structure is shown in section 3.

9.2 Fund Income

The type of income that will be derived by the Fund will be gains from the disposal of investments, rental income, dividends and interest income.

9.3 Australian Income Tax Considerations

Broadly, the Fund should not be liable to pay Australian income tax or capital gains tax (CGT) provided Investors are presently entitled to the Fund's income in each year and the Fund limits its activities to undertaking or controlling "eligible investment business" for Australian taxation purposes. It is intended that the Fund will be administered to achieve these outcomes.

On the basis that the Fund meets the requirements for being an eligible Managed Investment Trust (MIT) for tax purposes, the Trustee intends to make an election under the MIT provisions to treat the Fund's assets, such as real property, as being held on capital account.

The Federal Government has recently introduced a Bill into parliament that, if enacted will put in place a new tax system for Attribution MITs (AMITs). If a MIT qualifies as an AMIT, its Investors will be taxed on a fair and reasonable basis (rather than on the basis of present entitlement to trust income), having regard to their interest in the Fund. This potentially means that in some cases, Investors may be liable to pay tax on amounts they have

not received. The new regime also deems MITs as fixed trusts for tax purposes. We would not expect the AMIT regime to materially change the tax treatment of Investors outlined below.

These changes may impact how the Fund and Investors are taxed in the future.

9.4 Tax Treatment of Australian residents Investors

9.4.1 *Dividends*

Dividends distributed to Australian investors should be assessable in the hands of the investors with potential tax offsets available where any franking credits are attached. The availability of tax offsets will depend on the nature of the dividend and the Investor's individual circumstances.

9.4.2 *Interest*

Interest distributed to Australian investors should be assessable in the hands of the investors.

9.4.3 *Rental and other income*

Rental and other income distributed to Australian investors should be assessable in the hands of the investors.

9.4.4 *Capital gains from the disposal of shares and property*

Capital gains distributed to resident investors from disposal of shares in Australian companies and direct property assets should be assessable in the hands of the resident investors at their relevant tax rates. A capital gains tax discount may be available to investors where the shares have been held by the Fund for more than 12 months (that is, 50% for individuals and Trusts and 33.3% for complying superannuation funds).

9.5 Tax Treatment of non-residents Investors

9.5.1 *Dividends*

- Unfranked dividends from Australian resident companies distributed to non-resident investors should be subject to withholding tax at 30% (or less if the withholding tax rate is reduced under relevant double tax agreements, for instance the dividend withholding tax rate is 15% for the Australia and China double tax agreement);
- Non-residents may be allowed a tax offset for Australian taxes paid but this will depend on the Investor's individual circumstances and the domestic tax laws of that individual's country of residence;
- Fully franked dividends from Australian resident companies (i.e. when dividends are paid out of profits that have already been subject to Australian corporate tax) will not be subject to dividend withholding tax in Australia; and
- Foreign dividends distributed to non-resident investors should not be subject to Australian income tax on the basis that it is conduit foreign income.

9.5.2 *Interest*

Interest distributed to non-Australian investors should be subject to withholding tax at 10% unless it is foreign sourced.

9.5.3 *Capital gains from the disposal of shares and property*

- Non-residents are only subject to capital gains tax in Australia where the relevant asset is "taxable Australian property". Broadly, this includes (but is not limited to), Australian real property such as land situated in Australia or an indirect interest in Australian real property, such as when a company owns land

in Australia. No capital gains discount is available to non-resident investors. Each investor should seek tax advice as to whether they are subject to capital gains tax in Australia.

- Where a non-resident has made a capital gain in Australia in relation to taxable Australian property, a withholding tax amounting to 10% of the first element of the cost base of the asset may apply.
- Capital gains distributed to non-resident investors from disposal of shares in Australian companies which owns Australian land, should only be subject to Australian income tax where the shares held by the Fund and its associates (if any) comprise a direct participation interest of 10% or greater in the relevant companies. The direct participation interest is tested at the time of the disposal or throughout a 12-month period that began no earlier than 24 months before the disposal.
- Capital gains distributed to non-resident investors from disposal of direct property assets should be assessed in the hands of non-Australian investors at their relevant rates, subject to the availability of the Managed Investment Trust tax concession discussed below.

9.5.4 *Rental and other income*

- Rental and other income distributed to non-resident investors may either be subject to the general trust withholding provisions (whereby tax may be deducted at the non-resident withholding rates) or the MIT withholding provisions (as discussed below).
- Based upon the background facts, provided that the relevant conditions are satisfied, MIT rules may apply in which case:
 - Distributions (other than dividends, interest, royalties, and non-taxable capital gains) from a MIT to its non-Australian investors who are residents of an “information exchange country” are subject to a final withholding tax at 15%. Investors who are residents of non- information exchange countries are subject to a final withholding tax of 30 %. Note that dividends, interest and capital gains from taxable Australian property will still be subject to withholding taxes discussed above.

9.5.5 *Investment into VPEG 4*

An arrangement has been made in which the Investment Manager will facilitate the investment directly into VPEG4. VPEG4 is a SIV complying Venture Capital and Growth Private Equity Funds (VCPE) as such it is expected that VPEG4 will invest in Early Stage Venture Capital Limited Partnerships (ESVCLPs) or Venture Capital Limited Partnerships (VCLPs). Both ESVCLPs and VCLPs have concessional tax treatment. Provided certain conditions are met investors may obtain the following benefits:

- Income from a ESVCLP may be exempt from tax;
- A VCLP has flow through tax treatment. Further, eligible foreign investors in the fund are exempt from capital gains tax on their share of any profits made by the fund.

9.6 **Stamp Duty**

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

9.7 Anti-Money Laundering Regulations

9.7.1 *Australian requirements*

The Investment Manager is required to comply with the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (“AML/CTF Law”). This means that the Investment Manager will require potential Investors to provide personal information and documentation in relation to their identity when they invest in the Fund. The Investment Manager 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 Investment Manager may need to identify:

- (a) an Investor prior to purchasing units in the Fund. The Investment Manager 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 Investment Manager may need to re-verify this information.

By applying to invest in the Fund, Investors also acknowledge that the Investment Manager 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 Investment Manager to commit or participate in an offence under, any AML/CTF Law, and the Investment Manager will incur no liability to Investors if it does so.

9.8 Foreign Investment Review Board (FIRB)

The Fund Investors are likely to be predominantly entities that are domiciled and operate outside Australia. As a result, the Fund will be characterised as a “foreign person” for purposes of the Foreign Acquisitions and Takeovers Act 1975 (Cth) (“FTA”), meaning that acquisitions of Australian assets by the Fund will be subject to the review processes contemplated by the FTA.

The Australian Government has established, under the FTA, related regulations and foreign investment policy, investment thresholds for foreign persons. Generally, the effect of these is that the acquisition of any asset (including shares in a company, instruments convertible into shares in a company and direct Project equity) for a consideration of \$A 252 million or less and, in the case of shares in a company, for the acquisition of 20% or less of the fully-diluted issued capital of the company will be approved automatically on a notification-only basis. However, other requirements apply in respect of residential real estate, vacant land and shares or units in companies or unit trusts that have 50% or more of the value of their assets in Australian urban land. Other requirements also apply to the acquisition of interests in developed commercial real estate.

The Investment Manager will consult with investors in relation to the applicable FTA requirements from time to time, having regard to the nature of the proposed investments.

All of the investments by the Fund will be under this threshold and thus not require specific approval.

9.9 Additional Information

Before the consummation of the offering, Investors will have the opportunity to ask the questions and receive answers concerning the terms and conditions of this offering and to obtain any additional information that the Investment Manager may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such prospective investor. Any such questions should be directed to the Investment Manager. No other persons have been authorised to give information or to make any

representations concerning this offering, and if given or made, such other information or representations must not be relied upon as having been authorised by the Investment Manager.

This Memorandum is intended to present a general outline of the policies and structure of the Fund, the Investment Manager and the Investment Manager. Each prospective Investor should thoroughly review the Fund Agreements, which specify the rights and obligations of the Investors. The summary of terms of certain provisions of the Fund Agreements contained herein is necessarily incomplete and is qualified in its entirety by reference to such agreement. Copies of the Fund Agreements will be made available upon request.

9.10 Privacy

Investors will be required to provide personal information to make an investment in the Fund. The Investment Manager and service providers to the Investment Manager or the Fund may collect, hold and use potential Investors' personal information in order to assess applications, service their needs as a client or investor, provide facilities and services to Investors, the Investment Manager or the Fund and for other purposes permitted under the Privacy Act 1998 (Cth). Tax and company law also require some of the information to be collected in connection with applications. If a potential Investor does not provide the information requested or provides incomplete or inaccurate information, their application may not be able to be processed efficiently, or at all. Investors' information may be disclosed to the Investment Manager's agents and service providers on the basis that they deal with such information in accordance with the Investment Manager's privacy policy.

An Investor's personal information may also be used to administer, monitor and evaluate products and services, gather, aggregate and report statistical information, assist the Investor with any queries and take measures to detect and prevent fraud and other illegal activity. The Investment Manager may also be allowed or obliged to disclose information by law and to report on risk management matters. Any Investors who have concerns about the completeness or accuracy of the information the Investment Manager has about them or who would like to access or amend their personal information held by the Investment Manager should contact the Investment Manager. Investors who wish to receive a copy of the Investment Manager's privacy policy should also contact the Investment Manager.

9.11 Consents

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

- Australia China Investment Fund Pty Ltd
- Vantage Asset Management Pty Limited
- Prime Value Asset Management Limited
- Cyan Investment Management Pty Ltd
- D H Flinders Pty Ltd
- DHF Investment Managers Pty Ltd
- Vasco Fund Services Pty Limited

10. Legal and Additional Information

10.1 Summary of important documents

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

1. Trust Deed
2. Investment Management Agreement
3. Administration Agreement
4. Distribution Agreement
5. Escrow Agreement
6. Corporate Authorised Representative Agreement

10.2 Trust Deed

The Trust Deed 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.

The Trust Deed provides for the issue of different classes of Units. The terms of those classes are set out in the Trust Deed and the terms of issue for the relevant class of Unit. There will be three classes of Units on issue in the Fund; the ACECUC Units which will only have rights to the income and capital of the ACIF Emerging Companies Fund, the APVECUC Units which will only have rights to the income and capital of the ACIF Prime Value SIV Emerging Companies Fund and the ABIUC Units which will only have rights to the income and capital of the ACIF Balancing Fund.

Subject to the Trust Deed, 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; and
- The right to participate in the proceeds of winding up of the Fund.

The Trust Deed contains provisions about convening and conducting meetings of Investors.

We can amend the Trust Deed without the approval of Investors provided we reasonably consider the changes will not adversely affect your rights. The Trust Deed can also be amended by a special resolution passed by Investors.

A copy of the Trust Deed is available free of charge by contacting the Trustee on +613 8352 7120.

10.3 Investment Management Agreement

The Investment Management Agreement is between the Manager and the Trustee under which the 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 fees payable to the Manager for its services.

The Investment Management Agreement will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Trustee if the Investment Manager is in material breach of the agreement, and that breach has not been remedied after a

certain time. There are also provisions allowing the Trustee and Investment Manager to terminate if, for example, either party becomes insolvent.

10.4 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.

10.5 Distribution Agreement

Vantage Private Equity Management Partnerships, LP (ILP: L0000417A) (PE Manager) is the general partner and investment manager of VPEG4. It has appointed the Trustee as a distributor of VPEG 4 pursuant to the terms of the distribution agreement.

Under the Distribution Agreement, the Trustee undertakes to market VPEG4 in return for the following fees:

1. An upfront fee equal to 2% of the amount of capital the Trustee sources for investment in VPEG4.
2. An annual fee equal to 0.5% of the capital subscribed to VPEG4 that was sourced by the Trustee, payable for four years.

10.6 Escrow Agreement

The PE Manager, each separate investor and the Trustee will enter an escrow agreement in respect of the investors' \$500,000 components to be invested into VPEG4. The Trustee is appointed to act as escrow agent to hold that amount in the Vasco Cash Enhanced Fund, which is a cash management trust. Holding funds in this way pending investment into a venture capital fund is a feature of the SIV rules.

Under the agreement, the Trustee will hold the escrow amount on terms typical for an arrangement of this type. There are also usual indemnities and rights in favour of the Trustee as escrow agent, including an indemnity from the investors for all costs and expenses the escrow agent incurs in performing its duties under the agreement.

Any interest on the escrow amount will be reinvested.

10.7 Corporate Authorised Representative Agreement

The Investment Manager is a corporate authorised representative (Number 001234748) of D H Flinders Pty Ltd (AFSL 353001).

The Investment Manager's authorisation is limited to its role as Investment Manager of the Funds and other funds of which the Trustee is the trustee and does not extend to any other business that the Investment Manager conducts, or services that the Investment Manager provides.

11. Definitions

Administration Manager	Vasco Fund Services Pty Limited
ACIF	Australia China Investment Fund Pty Ltd ACN 607 032 655.
ACECUC	ACIF Cyan Emerging Companies Unit Class
ACECUC Units	Units in the class known as “ACECUC Units” issued subject to the ACECUC Unit Terms of Issue.
APVECUC	ACIF Prime Value SIV Emerging Companies Unit Class
APVECUC Units	Units in the class known as “APVECUC Units” issued subject to the APVECUC Unit Terms of Issue.
Application Form	The application form for an investment in the Fund, accompanying this Memorandum.
ASIC	The Australian Securities and Investments Commission
Balancing Investment	A balancing investment in accordance with section 10 of the Instrument
ABIUC	ACIF Balancing Investment Unit Class
ABIUC Units	Units in the class known as “ABIUC Units” issued subject to the ABIUC Unit Terms of Issue.
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Cyan EC Fund	The Cyan SIV Emerging Companies Fund established by deed dated 5 November 2010.
Cyan or Cyan Investment Management Pty Ltd	Cyan Investment Management Pty Ltd ACN 166 955 09
Emerging Companies Investments	An investment in emerging companies in accordance with section 9 of the Instrument
Fund Agreements	The Trust Deed and associated documents, whose provisions govern the Fund and set out the rights of unitholders and powers and duties of the Investment Manager, amongst other matters
Initial Close	The date on which units in the Fund are first issued which is intended to occur on 31 December 2016
Instrument	Migration (IMMI 15/100: Complying Investments) Instrument 2015

Investment Management Agreement	The investment management agreement between the Trustee and the Investment Manager dated 26 April 2016
Investment Manager	Australia China Investment Fund Pty Ltd
Investors	The investors in the Fund
Memorandum	This information memorandum issued to provide certain information about the Fund to potential Fund Investors in connection with their consideration of an investment in the Fund
Permanent SIV	Business Innovation and Investment (Permanent) Subclass 888 visa, significant investor stream.
Prime Value EC Fund	The Prime Value SIV Emerging Companies Protected Fund.
Prime Value	Prime Value Asset Management Limited
Provisional SIV	Business Innovation and Investment (Provisional) Subclass 188 visa, significant investor stream.
Offer	The offer to subscribe for units in the Fund as set out in this Memorandum
SIV	Significant Investor Visa
Sub-Funds	ACIF Emerging Companies Fund, ACIF Prime Value SIV Emerging Companies Fund and ACIF Balancing Fund
Trustee	The trustee of the Fund, being Vasco as at the date of this Memorandum
Vantage Asset Management Pty Ltd	Vantage Asset Management Pty Ltd (AFSL 279186) being the general partner of Vantage Private Equity Management partnership, LP, the investment manager of the VCPEF
Vasco Cash Enhanced Fund	The Vasco Cash Enhanced Fund established by Vasco pursuant to a constitution dated 7 April 2016.
Trust Deed	The constitution for the Fund dated 14 April 2016, as amended from time to time.
Vasco Investment Managers Limited or Vasco	Vasco Investment Managers Limited AFSL 344486, being the Trustee of the Fund
Vasco Fund Services Pty Limited or VFS	Vasco Fund Services Pty Limited ACN 610 512 331
VCPEF	A venture capital or growth private equity investment in accordance with section 8 of the Instrument

VPEG3	Vantage Private Equity Growth 3
VPEG4	Vantage Private Equity Growth 4

12. Application for Units

12.1 Applications for Units

An application for Units can only be made by completing and lodging the “Application Form” that is attached to this Memorandum (“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 investment amount noted on the Application. If the Application 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 investment amount applied for, the Application will be deemed to be for the lower amount received, subject to the minimum investment amount of the Fund. The minimum investment amount for the Fund is \$5 million; however, \$500,000 of this will not be invested in the Fund but will be instead held on escrow for investment in VPEG4.

Should you wish to only invest in the ACIF Balancing Fund please complete the relevant section on the Application Form. The minimum investment amount for direct investment into the ACIF Balancing Fund is \$3 million.

The Trustee reserves the right to reject an Application (in whole or in part) without reason. Applications along with application monies should be emailed, faxed, mailed or delivered to:

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

All application money payments should be made as follows:

1. By cheque:

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

2. By electronic transfer:

Electronic transfers should be made to “Vasco Investment Managers Limited ATF ACIF Prosperity Fund” c/o Macquarie Bank – BSB: 182 512, Account: 964006324 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. Any interest earned on application monies will be retained by the Trustee and will not form part of the assets of the Fund.

12.2 Unit allotment

Applications will be processed and Units issued on a first-come, first-served basis. Early lodgement of applications is recommended as the Offer may be closed at the discretion of the Trustee.

An application for Units constitutes an offer by the applicant to subscribe for Units on the terms and subject to the conditions set out in this Memorandum.

Where the Trustee does not accept the whole investment amount or where no allotment of Units is made, the surplus application monies will be returned to the applicant by cheque by the 15th of the month following the receipt of the Application. Interest will not be paid on refunded application monies.

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

Unless otherwise directed, an applicant will receive \$1,500,000 worth of ACECUC Units or APVECUC Units, and ABIUC Units for the remainder of the applicant's investment amount (less the \$500,000 for VCPEF investment).

12.3 Minimum investment

The minimum investment in applying for units is \$ 4,500,000 + VC Investment.

The offer of subscription for Units in respect of the Offer is expressly restricted to wholesale clients as defined in the Corporations Act. However, the Trustee has discretion to accept applications from people who are not wholesale clients, provided these people are otherwise permitted by law to participate in the Offer.

By lodging an application for Units in respect of the Offer contained in this Memorandum, the prospective Investor declares and warrants to the Fund that they are and will remain a wholesale client as defined in the Corporations Act or are otherwise permitted by law to participate in the Offer. The Trustee has the discretion to accept applications of less than \$5,000,000.

12.4 Power of attorney

The Application Form contains a power of attorney that permits Vasco to complete the application for investment in the Vasco Cash Enhanced Fund and VPEG4 on an applicant's behalf. This is an important document and Vasco will not be able to make your investment in the VCPEF if it does not receive the power of attorney properly completed and signed.

Schedule- Offering legends

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

AUSTRALIA

This Memorandum may not be circulated or distributed and no offer for subscription or purchase of the units offered hereby, nor any invitation to subscribe for or buy such interests has been made or issued, directly or indirectly, in Australia, other than to prospective investors who are wholesale clients as defined in section 761G of the Corporations Act or are otherwise permitted by law to participate in the Offer 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 Memorandum is not a prospectus or product disclosure statement under the Corporations Act and is not required to be, and has not been, lodged with the Australian Securities and Investments Commission. To the extent that information in this Memorandum constitutes financial product advice, it is general financial product advice only, is provided by the Investment Manager and does not consider the specific objectives, financial intentions or needs of any particular person. Each person considering subscribing for interests should read this Memorandum in full before making a decision to acquire any interests. There is no cooling-off regime in Australia that applies in respect of the issue of the interests.

CHINA

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

HONG KONG

The Fund has not been authorised by the Securities and Futures Commission in Hong Kong, accordingly, the units cannot be offered or sold in Hong Kong, by means of any document, other than to "professional investors" as defined in the Securities and Futures Ordinance (cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; nor may any person issue, or possess for the purposes of issue, any advertisement, invitation or document relating to the interests, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the units which are, or are intended to be, disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Corporate Directory

Trustee of the ACIF Prosperity Fund

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Administration Manager

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Trustee of ACIF Emerging Companies Fund, ACIF Prime Value SIV Emerging Companies Fund and ACIF Balancing Fund

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