



PROPERTY  
DEVELOPMENT

35 LATITUDE DEVELOPMENT FUND  
ARSN 620 185 266

# PRODUCT DISCLOSURE STATEMENT

14 April 2022

RESPONSIBLE ENTITY: VASCO TRUSTEES LIMITED  
ACN 138 715 009 | AFSL NO. 344486

INVESTMENT MANAGER: 35 LATITUDE PTY LTD  
ACN 610 907 474

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# IMPORTANT INFORMATION

This Product Disclosure Statement (**PDS**) is dated 14 April 2022

This PDS details the features, benefits, risks and general information about the 35 Latitude Development Fund ARSN 620 185 266 (**Fund**), a registered managed investment scheme.

The responsible entity for the Fund and issuer of this PDS is Vasco Trustees Limited ACN 138 715 009 AFSL No. 344486 (**Responsible Entity**). It is anticipated that during the next year, the responsible entity of the Fund will change from Vasco Trustees Limited to another company within the Vasco group of companies.

The investment manager for the Fund appointed by the Responsible Entity is 35 Latitude Pty Ltd ACN 610 907 474 (**Investment Manager**). The Investment Manager is a corporate authorised representative (No. 001239775) of DHF Investment Managers Pty Ltd ACN 607 120 570 AFSL 509932 (**DHFIM**).

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

## GLOSSARY

Throughout this PDS certain defined terms are used. Defined terms appear in the Glossary of Terms in Section 11. Any images in this PDS do not depict assets of the Fund unless otherwise indicated.

## UPDATED INFORMATION

Information in this PDS may change. If it is not materially adverse information, then it may be updated by us in a website update. Otherwise, a supplementary product disclosure statement will be prepared. Updated information regarding this PDS will be made available on the Responsible Entity's website at [www.vascofm.com](http://www.vascofm.com).

## QUESTIONS

Any questions regarding this PDS should be directed to the Investment Manager on +612 4952 1177 or the Responsible Entity on +613 8352 7120 or at [info@vascofm.com](mailto:info@vascofm.com) or at Level 4, 99 William Street, Melbourne, Victoria, 3000, Australia.

## CUSTODIAN

The Custodian is not the issuer of this PDS and has not prepared this PDS. The Custodian makes no representation and takes no responsibility for the accuracy or truth of any statement or omission from any part of this PDS.

## ISSUE OF UNITS

Unless otherwise determined by the Responsible Entity, Units to which this PDS relates will only be issued on receipt of a completed Application Form which is attached to this PDS. The Responsible Entity reserves the right to reject in whole or part any Applicant's application.

## ASIC

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

## RECEIPT OF PDS

An electronic version of this PDS appears on the Responsible Entity's website at [www.vascofm.com](http://www.vascofm.com). If this PDS is received electronically, then you should ensure that both a complete Application Form and PDS have been received. A hard copy version of this PDS is available by contacting the Responsible Entity or the Investment Manager.

## RESTRICTIONS ON DISTRIBUTION

The Offer is an offer which is available to persons receiving this PDS within Australia but does not constitute an offer of interests in any jurisdiction where, or to any persons to whom, it would be unlawful to make the Offer.

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

## AMOUNTS

All financial amounts in this PDS are expressed in Australian dollars unless otherwise stated.

## COMPLAINTS

The Complaints Handling process for the Fund is detailed in Section 10.4

## IMPORTANT WARNING STATEMENTS

### *No performance guarantee*

None of the Investment Manager, the Responsible Entity, Administration Manager, DHFIM, the Custodian, 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.

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

An investment in the Fund is subject to investment risks which are described in Section 7 of this PDS, including possible delays in repayment and loss of some or all of your income or capital invested.

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

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

Unitholder returns are a function of risk/reward ratios.

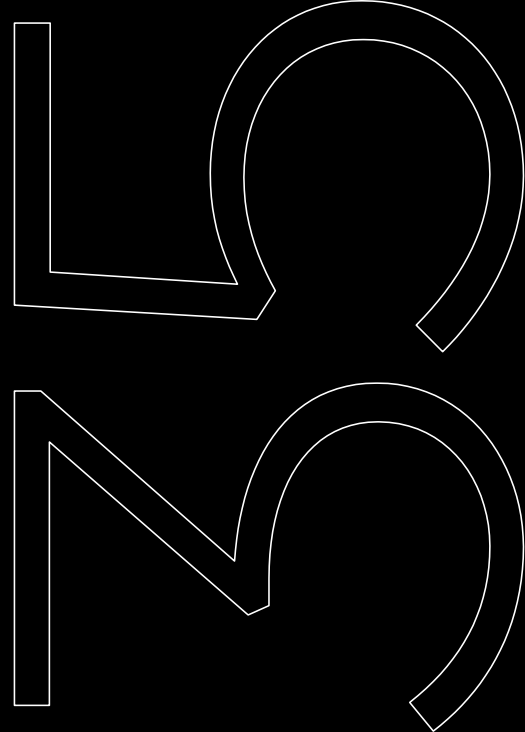
Past performance should not be perceived as an indication of future performance as returns are variable and may be lower than expected.

Should it be required to protect all investments in the Fund, the Responsible Entity, may use its discretion to delay or suspend redemptions from the Fund. Unitholders will only have limited rights to withdraw their investment if the Fund does not satisfy the statutory liquidity benchmarks. Unitholders should refer to Section 5.8 under the heading "Withdrawal Offers" for details of the redemption rights.

There may be a risk that a Unitholder could not be paid their redemption of their investment, in whole or in part within a reasonable period after a fixed term investment expires.

## INDEPENDENT FINANCIAL ADVICE

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



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# LETTER FROM THE INVESTMENT MANAGER

As Investment Manager of the 35 Latitude Development Fund (**Fund**), I am delighted to present you with this opportunity to invest in an open-ended development fund to identify, secure and complete residential medium density developments, predominately in the Hunter Valley (Newcastle and Lake Macquarie LGA).

Pursuant to this PDS, the Fund seeks to invest in a range of small to medium scale residential development projects. We propose that the Fund will likely invest in multiple projects each year, depending on the capital availability and opportunities that arise. The advantage to Unitholders in this approach is that their investment will be spread across a range of projects thereby reducing the risk of any one project not achieving the returns anticipated.

Each Project consists of small (four townhouses/villas) to medium (up to 100 townhouses/villas or apartments) sized development opportunities. Each will have a different concept based on site size, layout and will generally provide a mix of dwellings in any development to provide price variation and market choice. Dwelling types are generally either two- or three-bedroom townhouses, villas or apartments.

A description of the Fund's current portfolio is set out in the Annexure to this PDS. Over time, as the Fund acquires Properties and completes Projects the Fund's portfolio will change. For up-to-date information about the Fund's portfolio see the document, 'Current Portfolio Holdings for 35 Latitude Development Fund', available from [www.vascofm.com](http://www.vascofm.com) or on request.

Unitholders are expected to receive a return of approximately 10% per annum (pre-tax, after fees and expenses) over a 3-year time frame.

The funds raised under this offer will typically be used to acquire small to medium sized development opportunities. The Investment Manager will then seek to progress to the project development approval stage, with the Fund also providing working capital for the initial Project development expenses. From commencement, each project is expected to take approximately two to three years to reach completion.

The Investment Manager might in some instances enter into Joint Venture arrangements with a land owner, buy options over a project site, sell an option or land directly at any stage during the development cycle in order to maximise the returns of an investment opportunity.

The Investment Manager expects to obtain additional debt funding from a bank for the project once planning approval has been received for the projects and sufficient pre-sales of properties to satisfy the anticipated conditions of the debt funding offer. Alternatively, the Investment Manager may choose to utilise investment capital of the fund to cover the expected construction costs.

The independent Responsible Entity of the Fund is Vasco Trustees Limited which has significant experience in the management of real estate funds and real estate development funds.

The Investment Manager, 35 Latitude Pty Ltd, is a privately owned property development company based in Newcastle. We are committed and have a significant track record in delivering quality developments with a focus on residential projects within the Hunter Region of Australia.

The directors of the Investment Manager believe that an investment in the Fund offers an attractive opportunity to participate in a range of property development projects offering attractive investment returns.

I recommend you read the entire PDS (especially Section 7 entitled "Risks") before making a decision to invest in the Fund and consult a suitably qualified professional adviser to ensure that an investment in the Fund suits your individual requirements.

The directors commend the offer to you and invite you to participate in this exciting investment opportunity.



Brett Brookfield  
Managing Director  
35 Latitude Pty Ltd

# 1. KEY FEATURES OF THE FUND

The table below is a summary of the key features of an investment in the 35 Latitude Development Fund (Fund). It is not intended to be exhaustive. You must read the whole of this PDS to obtain more detailed information before making a decision to invest in the Fund.

KEY FEATURE	SUMMARY
INVESTMENT MANAGER	35 Latitude Pty Ltd
RESPONSIBLE ENTITY	Vasco Trustees Limited
CUSTODIAN	Perpetual Corporate Trust Limited
ADMINISTRATION MANAGER	Vasco Fund Services Pty Limited
STRUCTURE	<p>The Fund is an open-ended unlisted registered managed investment scheme structured as a unit trust established by the Responsible Entity pursuant to the Constitution and is governed by Australian law.</p> <p>The Fund provides Unitholders an opportunity to acquire Units in the Fund which entitles them to returns (primarily capital gains) generated by the Fund.</p>
OBJECTIVE	The Fund aims to generate an attractive return through the development of real property purchased by the Fund.
CURRENT PORTFOLIO	The Annexure which forms a part of this PDS contains a summary of the Fund's property portfolio as at the date of this PDS.
GUIDELINES	<p>The Investment Manager will identify further Properties, obtain development approvals and project manage the development process of each Project.</p> <p>Projects targeted will be predominantly medium density developments in the metropolitan areas of the Hunter Region of New South Wales.</p> <p>The Investment Manager might in some instances decide to buy options over a Property or sell an option or land directly at any stage during the development cycle to maximise the returns of an investment opportunity.</p>
TARGET RETURN	<p>The Investment Manager is targeting a gross return to Unitholders of approximately 10% per annum over a 3-year time frame (pre-tax, after fees and expenses but before withholding tax payable by foreign resident Unitholders).</p> <p>This is a target return only and is not a forecast or a guaranteed return.</p>
MINIMUM INVESTMENT	\$20,000 then in multiples of \$10,000.
DISTRIBUTION OF INCOME	<p>The Responsible Entity intends to make distributions of income at the end of each Financial Year, which will be paid by 30 September of each year, following the audit of the Fund's annual accounts. The availability of income to distribute is contingent on the phase of a Project, whether it is in development or has been completed and the sale of all units and townhouses developed as part of that Project.</p> <p>Distributions to Unitholders will take into account the number Units held by the Unitholders at the time the Distribution is calculated.</p>

WITHDRAWALS	<p>Unitholders will have no rights to withdraw from the Fund and an investment in the Fund should therefore be considered an illiquid investment.</p> <p>Unitholders only opportunity to withdraw from the Fund will be in response to a Withdrawal Offer made by the Responsible Entity, subject in the Fund for the Minimum Term (see below). The Responsible Entity only anticipates to Unitholders having been invested making Withdrawal Offers on completion of each Project.</p>
MINIMUM TERM	There is a Minimum Term of 24 months before Unitholders can participate in any Withdrawal Offers made by the Responsible Entity.
BUY-SELL SPREAD	<p>Investments and withdrawals may incur buy and sell spreads, which are designed to ensure, as far as practicable, that any transaction costs incurred as a result of an investor entering or leaving the Fund are borne by that investor, and no other investors.</p> <p>As at the date of this PDS, a buy spread of 1% applies to the Fund and there is no sell spread. Current buy and sell spreads can be obtained online at <a href="http://www.vascofm.com">www.vascofm.com</a> or by contacting us. The buy and sell spread is not an additional fee paid to the Responsible Entity but is retained by the Fund to cover transaction costs. Buy and sell spreads are not applied to the reinvestment of distributions.</p>
FEES	<p>All fees outlined below are inclusive of GST and net of input tax credits.</p> <p><b>Responsible Entity</b> The Responsible Entity is entitled to the following fees<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>- a <b>Responsible Entity Fee</b> of up to 5% per annum of the gross asset value of the Fund subject to a minimum fee of \$52,250.</li> <li>- an <b>Administration Fee</b> of \$30,597.60 per annum applies subject to an increase of 3% on 1 January each year.</li> </ul> <p><b>Investment Manager</b> The Investment Manager is entitled to the following fees:</p> <ul style="list-style-type: none"> <li>- a <b>Management Fee</b> from the Fund of 2.0% per annum of net asset value of the Fund payable monthly in arrears</li> <li>- an <b>Acquisition Fee</b> of up to 5.0% of the property purchase price for each acquisition by the Fund</li> <li>- a <b>Performance Fee</b> of 20.0% of the increase in the Withdrawal Price of the Fund over a 12-month period as at the 30 June of each year.</li> <li>- a <b>Debt Arrangement Fee</b> of 0.5% of any borrowings made by the Fund.</li> </ul>
EXPENSES	<p>The Responsible Entity has the right to claim Expenses incurred by it in the proper performance of its duties in respect of the Fund. These are the costs incurred in operating the Fund and include custodial fees, accounting and legal advice, audit fees, insurances, consulting fees, costs relating to Unitholder meetings and registry fees.</p> <p>These expenses will vary from year to year, but are expected to be no more than 1.50% per annum.</p>
GEARING	<p>The Fund expects to borrow to fund construction costs and intends to limit all gearing to no more than 70% of the value of the Projects end completed value used to secure the loan.</p> <p>Borrowings will be either on a Project-by-Project basis secured by the Property acquired by the Fund for each Project, or on a Fund-wide basis, using multiple Properties to secure any debt facility.</p>
COOLING-OFF PERIOD	As at the date of this PDS there is no cooling off period as the Fund is not liquid.
RISKS	<p>The Fund will invest in property development projects, which means an investment in the Fund carries a higher level of risk than an investment in a typical property fund that owns tenanted commercial property.</p> <p>Applicants should be aware that the value of the Fund properties and the income it generates could be negatively influenced by a number of factors and Unitholders may suffer losses.</p>



## 2. ASIC BENCHMARKS AND DISCLOSURE PRINCIPLES

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

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

The table below provides an overview of the benchmarks and disclosure principles. Further information on how these apply to the Fund is contained in the document, ‘**ASIC benchmarks and disclosure principles for the 35 Latitude Development Fund**’, available from the Responsible Entity’s website at [www.vascofm.com](http://www.vascofm.com) or on request. This document should be read in conjunction with this PDS and any supplementary PDS which may be issued from time to time. A copy of all disclosure documents, including current PDS and supplementary PDSs is available from the Responsible Entity’s website at [www.vascofm.com](http://www.vascofm.com) or on request.

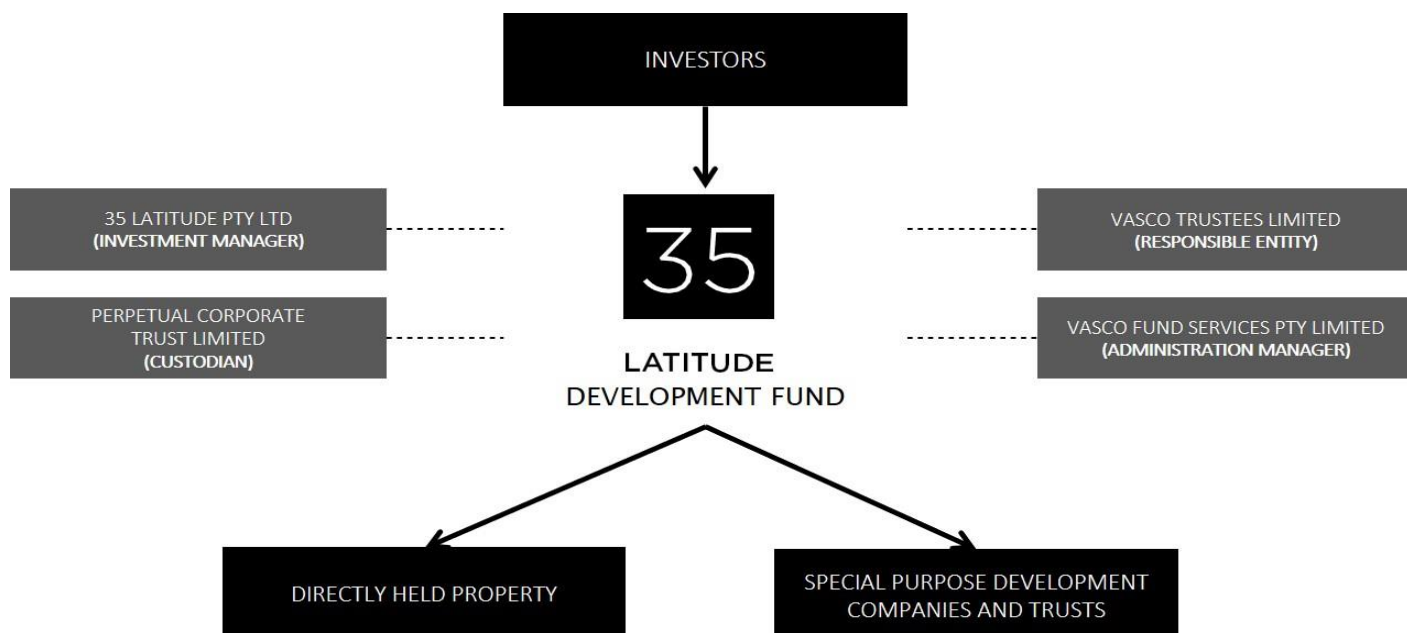
BENCHMARK / DISCLOSURE PRINCIPLE	EXPLANATION	SECTION IN THIS PDS (IF APPLICABLE)
Gearing	This illustrates to what extent an unlisted property fund is financed by debt.	3.9 and 3.10
Interest cover	This discloses the ability of an unlisted property fund to meet its interest payments from revenue or earnings.	3.11
Interest capitalisation	This indicates whether an unlisted property fund’s interest expense are capitalised (i.e. added to the principal amount), or whether the unlisted property fund meets interest payment obligations from its earnings.	3.11
Scheme borrowing	This is information about the credit facilities of an unlisted property fund, including what type of events will cause a breach of the credit facilities.	3.9
Portfolio diversification	This addresses an unlisted property fund’s portfolio of property assets, including how this is diversified.	3.2 and 3.4
Valuations	This addresses how an unlisted property fund obtains valuations for its real property assets, including frequency of valuations.	3.12
Related party transactions	Information is provided on transactions the responsible entity has with parties with whom it has a close relationship.	10.5
Distribution practices	This addresses an unlisted property fund’s practices for paying distributions, and the source of funds for the distribution.	5.6
Withdrawal arrangements	This is information on the rights of unitholders to withdraw from an unlisted property fund, including any conditions that may be attached to the withdrawal.	5.8

The information in the ‘document, ‘**ASIC benchmarks and disclosure principles for the 35 Latitude Development Fund**’, is up to date at the time of preparation. However, some information can change from time to time. Information that is not materially adverse may be updated and made available at [www.vascofm.com](http://www.vascofm.com). A paper copy of any updated information will be provided by the Responsible Entity free of charge upon request by emailing [info@vascofm.com](mailto:info@vascofm.com).



### 3. INVESTMENT STRATEGY

#### 3.1. INVESTMENT STRUCTURE



The Fund has been established to provide equity funding, either directly or indirectly through special purpose companies or Sub Trusts, predominately for medium density property development opportunities in the metropolitan areas of the Hunter Region of New South Wales. The Fund may explore smaller or larger investment opportunities and investment opportunities outside of the Hunter Region if the Investment Manager considers the opportunity appropriate to meeting the broader investment objectives of the Fund.

The Responsible Entity has appointed 35 Latitude Pty Ltd as the investment manager of the Fund for the purposes of marketing the Fund to prospective investors and managing the investments of the Fund with a view to achieving returns for Unitholders.

The Investment Manager is targeting a return of 10% per annum (after fees and costs but before tax) over a 3-year period. This is a target return only and is not a forecast. Returns of capital and income are not guaranteed.

Once a property is secured, the Investment Manager will look to create value through proceeding to take the Property through concept, approval and finally construction phases to realise the increased value the Property possesses.

In some instances, the Investment Manager may enter into a joint venture arrangement with a land owner, buy an option over a property, or sell an option or land directly at any stage during the development cycle of a Project to maximise the returns of an investment opportunity.

### 3.2 CURRENT AND TARGET PORTFOLIO

A description of the Fund's Current Portfolio as at the date of this PDS is set out in the Annexure to this PDS.

Over time, as the Fund acquires Properties and completes Projects the Fund's portfolio will change. For up-to-date information about the Fund's portfolio, see '**Current Portfolio for 35 Latitude Development Fund**' online at [www.vascofm.com](http://www.vascofm.com).

### 3.3 TARGET MARKET DETERMINATION

The product offered under this PDS is likely to be appropriate for those investors seeking capital growth to be used as a small allocation (less than 25%) within a portfolio where the investor has a medium to long term investment timeframe, a very high to high risk/return profile and does not need access to capital for a period of at least 24 months.

### 3.4 INVESTMENT CRITERIA

The Investment Manager follows an extensive review process on each proposed opportunity to identify its ultimate viability. Broadly, the initial review takes into consideration (but is not limited to) the following:

- o **Site Assessment**
  - Zoning requirements and what type of development is allowed on the Property.
  - Property dimensions, topography, location and views.
- o **Council Requirements Review**
  - Relevant council's Development Control Plan (DCP) and Local Environment Plan (LEP) to determine requirements.
- o **Concept**
  - Appropriate development options applicable to the Property.
  - Expected building outcomes for the Property.
- o **Research**
  - Whether there have been any recent (or current) similar developments in the area where the Property is located.
  - Density, site configuration, product produced and potential sales prices/rents achieved.

Once the initial review of a Property is finalised, the Investment Manager will prepare a detailed financial analysis incorporating all known and expected costs to deliver the Project from inception to completion. This will include consultants, council, construction and marketing costs, along with GST and interest holding costs for the Project. Comparing these figures (along with a cost contingency) to its estimated sales outcomes, the Investment Manager will determine the viability of a Project and make an assessment whether to proceed further on the opportunity.

### 3.5 LOCATION OF PROJECTS

The Hunter Region is located 130 kilometres north of Sydney in New South Wales, encompassing a diverse range of geographic landforms, environments, industries and population centres. It covers over 31,000 square kilometres and combines a diverse and vibrant economy with an enviable lifestyle.

It is also the most populous regional area in Australia. With over 600,000 people (Australian Bureau of Statistics June 2016 estimated resident population) the Hunter Region has more people than Tasmania, the Australian Capital Territory and the Gold Coast.

Those not familiar with the Hunter Region are invariably surprised at the strength, vibrancy and diversity of the Hunter economy which stretches far beyond the traditional industries of coal and wine which are often associated with the region. The Hunter has industries as varied as mining, healthcare, finance, defence, manufacturing and tourism. It is also strategically well-positioned for global trade, home to a skilled and flexible workforce who enjoy an enviable lifestyle, and has world-class research and education facilities.

The Hunter Region currently comprises around 8% of economic activity in New South Wales, with regional output of approximately \$38.5 billion in 2013 (Deloitte Access Economics). According to Deloitte Access Economics, the Hunter Region economy is projected to grow by nearly 75% to the year 2036 with output of around \$64.8 billion.

### 3.6 PROPERTY TYPES

It is anticipated the Fund's Projects will consist of small (four townhouses/villas) to medium (up to 100 townhouses/ villas/apartments) sized development opportunities. Each Project will have a different concept based on the size and layout of the Property and the Investment Manager's view of the best use for the Property based on the particular market conditions and requirements. The Investment Manager will generally seek to provide a mix of dwellings in any development to provide greater price variation and choice. Dwelling types will generally be either two- or three-bedroom townhouses, villas or apartments.

### 3.7 DESIGN, APPROVAL AND CONSTRUCTION PROCESS

Once a Property is acquired, the Investment Manager will liaise with a team of architects, town planners and other professionals (as required) in the design and strategy to obtain development consent.

Once development approval has been granted, the Investment Manager will appoint a licensed building company based on a competitive tender process to complete the building of the Project to pre-determined construction standards (dependant on the market requirements).

In some instances, the Investment Manager might also recommend that the Fund enter into a joint venture arrangement with a land owner, acquire options over a Property or sell an option or land directly at any stage during the development cycle to optimise the returns of an investment opportunity. For example, this may occur where the Fund purchases a site with existing DA approval or where the Fund enters into a joint-venture agreement with a partner to reduce the capital outlay and maximise investor returns.

### 3.8 DEVELOPMENT STAGES

The Investments Manager expects to manage each stage of the development life-cycle for each Project as follows:

#### CONCEPT DESIGN

The Investment Manager will meet with its consulting team (specifically architect and town planner) and prepare a detailed overview of Property constraints and development outcomes. This will formalise the likely development yield and identify where additional consultants will be required.

This may result in formalised meetings with the local council to obtain further feedback in an attempt to identify any local government road blocks with regard to the proposed Project design. This will form the basis of the eventual development application.

#### DEVELOPMENT APPLICATION

Once all relevant consultant reports have been prepared a formal submission to council will be finalised. Prior to obtaining approval the Investment Manager will continue its discussions with council and its consultants (as required) to achieve a favourable outcome.

Once development approval for the Property has been granted the Investment Manager will review any conditions imposed by the council and engage the appropriate consultants to prepare construction certificate paperwork. This may also involve preparing the Property for construction (demolition, tree removal etc.).

#### MARKETING AND SALES

This will begin before the final development approval has been obtained. An agreed marketing strategy will be put in place to maximise pre-sales outcomes prior to commencing construction with the agent, who may be a related party of the Investment Manager, appointed to sell the constructed dwellings.

#### CONSTRUCTION TENDER

On receipt of the construction documentation the Investment Manager will request formal tenders from a panel of suitably qualified building companies. This will include a detailed schedule of finishes, potential cost savings (in design) and negotiated terms (including time frames to construct).

#### QUALITY CONTROL

During the construction period regular site visits will be performed by the Investment Manager along with ongoing meetings with the construction team. This is to ensure the Project keeps to the contracted time frame and quality outcomes are achieved.

### 3.9 BORROWING POLICY

Borrowing by the Fund is known as gearing. Repayment of borrowings ranks ahead of Unitholders' interests in the Fund and payment of interest on borrowings must be funded prior to any distributions being made to Unitholders. See Section 7 for further information about the risks involved in geared investments.

The Fund expects to borrow in order to fund the construction costs for each Project. Borrowings will be on a Project- by-Project basis and will be secured by the Property acquired by the Fund for each Project. However, in certain circumstances the Responsible Entity may, at its discretion, use multiple Properties to secure any debt facility.

Debt will be provided by Australian ADI's or other financiers considered appropriate by the Responsible Entity.

From time to time, the Investment Manager, or a related party of the Investment Manager, may fund some of the development costs associated with the portfolio of properties where it considers it necessary to do so in order to progress the developments in a timely manner.

The Responsible Entity, or a trustee of a Sub-Trust, may borrow this money from the Investment Manager, or a related party of the Investment Manager, via an unsecured loan with an interest rate of up to 10% per annum, which is considered to be below comparative mezzanine financing terms and at arms-length.

### 3.10 GEARING RATIO

The gearing ratio represents the percentage of debt compared to the gross assets of the Fund and the Sub-Trust. As such it indicates the extent to which the Fund's assets are funded by interest-bearing liabilities. The gearing ratio includes both direct gearing and look-through gearing using the following formula:

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

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

The Responsible Entity intends to limit the maximum gearing ratio (otherwise known as a loan-to-value ratio) to 70% of the "as completed" value of all Property being used to secure any loan. The Responsible Entity will periodically calculate the gearing of the Fund.

Borrowings will be either on a Project-by-Project basis secured by the Property acquired by the Fund for each Project, or on a Fund-wide basis, using multiple Properties to secure any debt facility.

For further and up-to-date information about the Fund's borrowings and gearing ratio, see 'ASIC benchmarks and disclosure principles for the 35 Latitude Development Fund' online at [www.vascofm.com](http://www.vascofm.com).

### 3.11 INTEREST COVER RATIO

The interest cover ratio gives an indication of the Fund's ability to meet interest payments on debt from its earnings. It is an important indication of financial health and key to analysing the sustainability and risks associated with the Fund's level of borrowing.

The Fund's interest cover ratio is the amount of earnings to service every \$1.00 of interest on debt. It is determined by the following formula:

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

where EBITDA = earnings before interest, tax, depreciation and amortisation.

The Fund intends to capitalise interest payments. The Fund will not enter into any interest rate hedges.

For further and up-to-date information about the Fund's interest cover ratio, see '**ASIC benchmarks and disclosure principles for the 35 Latitude Development Fund**' online at [www.vascofm.com](http://www.vascofm.com).

### 3.12 VALUATION POLICY

The Responsible Entity maintains and complies with a written valuation policy for the Fund, which is reviewed at least annually or as market circumstances dictate. This policy is outlined below, and may change from time to time. Any updates to this valuation policy will be provided on the Responsible Entity's website at [www.vascofm.com](http://www.vascofm.com).

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

Different methods may become more or less appropriate from time to time or from property to property as more or less information relevant to that method may be available at different times.

Taking these factors into account, each property will be valued quarterly (or as otherwise determined) by the Responsible Entity's directors, or as delegated, and will be done based on the following valuation points throughout the development process:

#### 1. DA Submission

Valuation is equal to Property acquisition costs PLUS all accrued consultant costs PLUS 5%

#### 2. DA Approval

Valuation is equal to Property acquisition costs PLUS all accrued consultant costs PLUS 15%

#### 3. Commencement of Construction

Valuation is equal to Property acquisition costs PLUS all accrued consultant costs PLUS council costs PLUS 20% PLUS site capital work costs

#### 4. Project Completion

Valuation is equal to realised sales values MINUS total costs

Each completed Project will also be independently valued by a registered valuer annually and at any other times the Responsible Entity, or the Fund's Auditors, may deem necessary or as required by the Corporations Act, Corporations Regulations 2001 and/or any ASIC policy from time to time.

The Responsible Entity believes that this approach to valuation as well as traditional valuation methods will provide its Unitholders with the most appropriate approach to long term investment holdings.

For further and up-to-date information about the Fund's valuation policy, see '**ASIC benchmarks and disclosure principles for the 35 Latitude Development Fund**' online at [www.vascofm.com](http://www.vascofm.com).





## 4. CURRENT PORTFOLIO

A description of the Fund's portfolio as at the date of this PDS is set out in the attached Annexure '**35 Latitude Development Fund: Current Asset Portfolio**'.

Over time, as the Fund acquires Properties and completes Projects the Fund's portfolio will change.

For up-to-date information about the Fund's portfolio, see '**Current Portfolio for 35 Latitude Development Fund**', available from [www.vascofm.com](http://www.vascofm.com) or on request.

## 5. DETAILS OF THE OFFER

### 5.1. UNITS

The Fund is an unlisted registered managed investment scheme which gives Applicants the opportunity to acquire Units in the Fund. Each Unit represents an interest in the assets of the Fund proportionate to the total number of Units on issue but does not entitle the Unitholder to any particular asset of the Fund.

A Unit entitles a Unitholder to receive a proportion of the returns generated by the Fund relevant to the number Units held when a distribution is declared.

### 5.2. ISSUE OF UNITS

It is intended that Units will be issued on a monthly basis, within five Business Days following the end of the month in which an Application (accompanied by payment of application money) is received and accepted.

### 5.3. UNIT PRICE

Units will be issued at the Unit Price, calculated in accordance with the Constitution. The Unit Price is calculated by dividing the net asset value of the Fund by the number of Units on issue.

The Unit Price is calculated monthly (or on or about the date of issue or at such other interval as the Responsible Entity determines), based on a valuation of the investments of the Fund at the close of business (or 5.00pm) on the last Business Day of the calendar quarter (or at such other interval as the Responsible Entity determines).

Unit prices are available at [www.vascofm.com](http://www.vascofm.com). The price that will apply to your application may be different from that on the website as the one that will apply will be the one calculated after you submit your Application.

#### 5.4. MINIMUM INVESTMENT

The Minimum Investment in the Fund is \$20,000, then in multiples of \$10,000 thereafter.

The Responsible Entity reserves the right to accept Applications for lesser amounts in its absolute discretion.

#### 5.5. TARGET RETURN

The Investment Manager is targeting a gross return to Unitholders of approximately 10% per annum over a 3 year time frame (pre-tax, after fees and expenses but before withholding tax payable by foreign resident Unitholders)

This is a target return only and is not a forecast. Return of income and capital are not guaranteed.

#### 5.6. DISTRIBUTION OF INCOME

Distributions are expected to be made as at the end of each Financial Year payable by 30 September of each year, following the audit of the Fund's annual accounts.

Distributions will only be made from the income earned by the Fund over the course of the preceding year, which will be generated from the completion of a Project and the sale of all units and townhouses developed as part of that Projects

The Responsible Entity reserves the right the make distributions more frequently in its absolute discretion.

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

Distributions to Unitholders will take into account the number Units held by the Unitholders at the time the distribution is calculated.

Distributions to a Unitholder will be deposited to the Unitholder's nominated account at a bank or other financial institution.

Investors can choose to reinvest their distributions by making an election on their Application Form.

For further and up-to-date information about distributions, see '**ASIC benchmarks and disclosure principles for the 35 Latitude Development Fund**' online at [www.vascofm.com](http://www.vascofm.com).

#### 5.7. TERM OF INVESTMENT

There is a Minimum Term of 24 months from the date of issue of a Unit, before Unitholders can participate in any Withdrawal Offers made by the Responsible Entity.

Withdrawal Offers will only be made subject to available liquidity and are expected as and when development projects are completed by the Fund. See Section 5.8 below for more information about how to participate in Withdrawal Offers.

#### 5.8. WITHDRAWAL OFFERS

An investment in the Fund should be considered an illiquid investment. Unitholders will have no right to withdraw from the Fund, other than in response to a Withdrawal Offer made by the Responsible Entity.

The Responsible Entity only anticipates making a Withdrawal Offer on completion of each Project, subject to Unitholders having been invested in the Fund for the Minimum Term.

The Fund will rely on proceeds from the completion and sale of Projects and unallocated cash held by the Fund to make redemption payments under a Withdrawal Offer.

Withdrawal Offers will be published on the Responsible Entity's website, at [www.vascofm.com](http://www.vascofm.com) and/or communicated to you via email.



Unitholders wanting to take advantage of a Withdrawal Offer must complete a **Withdrawal Request** form which is also available on the Responsible Entity's website, at [www.vascofm.com](http://www.vascofm.com). Where there are insufficient funds to satisfy all Withdrawal Requests received in response to a Withdrawal Offer, Withdrawal Requests must be satisfied on a pro-rata basis.

Where a Withdrawal Request that has been granted results in a Unitholder's remaining Units having a value less than \$20,000, the Responsible Entity may treat the Withdrawal Request as also relating to the balance of the Unitholder's holding.

Units that are redeemed will be redeemed at the Withdrawal Price, which may be lower than what was originally paid.

The Responsible Entity may, before applying the amount due to a Unitholder, deduct any tax payable by the Responsible Entity in respect of the redemption of Units.

The repayment of a Unitholder's investment will be deposited to the Unitholder's nominated account at a bank or other financial institution.

Unitholders should allow up to 2 Business Days for electronic transfers to a bank and up to 3 Business Days for an electronic transfer to a credit union account.

The Responsible Entity will not make payments to a third party nominated by a Unitholder.

Unitholders should obtain professional taxation advice in relation to the taxation implications of any Unit redemption as the individual tax position of Unitholders can vary depending on their circumstances.

For further and up-to-date information about Withdrawal Offers, see '**ASIC benchmarks and disclosure principles for the 35 Latitude Development Fund**' online at [www.vascofm.com](http://www.vascofm.com).

## 5.9. TRANSFER OF UNITS

Unitholders can transfer the ownership of their Units at any time provided that the transferee meets the requirements of a Unitholder in the Fund and has been approved by the Responsible Entity.

Under the Constitution, the Responsible Entity has the discretion to refuse the transfer of Units if, in the Responsible Entity's opinion, the transfer is not in the interests of the Fund or if the Unitholder or transferee has not complied with any applicable laws. Unitholders should obtain professional taxation advice in relation to the taxation implications of any transfer of Units as the individual tax position of Unitholders can vary depending on their circumstances.

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

## 5.10. SURPLUS LIQUID INVESTMENTS

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

## 5.11. REPORTS

The Responsible Entity will provide Unitholders with the following reports:

- Distribution statements on the provision of any distributions
- Annual Fund Financial Accounts, to be provided as soon as practical after submission of the Fund's audited accounts to ASIC (which are due by 30 September of each year)
- Annual tax statements, to be provided as soon as practical after submission of the Fund's audited accounts to ASIC (which are due by 30 September of each year)



## 6. ROLES AND RESPONSIBILITIES

### 6.1. INVESTMENT MANAGER – 35 LATITUDE PTY LTD

35 Latitude Pty Ltd is the Investment Manager of the Fund.

The main responsibility of the Investment Manager is to market the Fund and make investment decisions in respect of the Fund.

The Investment Manager was established in 2016 to bring together a team with business and investment expertise and experience for the benefit of investors wanting to invest in Australian real estate. In addition, the Investment Manager has an extensive network of specialist advisers in the real estate and construction industries.

The board of 35 Latitude has over 30 years' experience in developing residential property and creating investor value. The board also has extensive experience of over 35 years in investment markets, lending and other fiduciary responsibilities. 35 Latitude also utilises an extensive network of professionals including real estate agents, town planners, architects, builders and other industry professionals.

### 6.2. RESPONSIBLE ENTITY

Vasco Trustees Limited is the Responsible Entity of the Fund. The Responsible Entity is the holder of AFSL No 344486.

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

During the next year, it is anticipated that the Responsible Entity of the Fund will change from Vasco Trustees Limited to another company within the Vasco group of companies.

The Responsible Entity is part of an investment management group (Vasco) that provides responsible entity, trustee, fund administration and distribution services to Australian and international investment managers.

The Vasco team have significant experience in the Asia Pacific region in the management of equity funds, fixed income funds, REITs, private equity real estate funds, real estate securities funds, and mortgage and real estate debt funds. Some of the funds Vasco's executives have developed include the \$1 billion Australian Unity Healthcare Property Trust ARSN 092 755 318 and the \$1billion AIMS AMP Capital Industrial REIT listed on the Singapore

Securities Exchange.

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

Clients of Vasco have included Golden Age Development Group, Infrastructure Partners Investment Fund, Vital Healthcare Property Fund, EMR Capital Pty Ltd, Phillip Asset Management Limited and Morgan Stanley Real Estate.

### 6.3. CUSTODIAN

The Responsible Entity has appointed Perpetual Corporate Trust Limited (**Perpetual Corporate Trust** or **Custodian**) as an independent custodian to hold the assets of the Fund. The Responsible Entity has appointed the Custodian under a custodian agreement. The Custodian's role is to hold the assets in its name and act on the direction of the Responsible Entity to effect cash and investment transactions.

Perpetual Corporate Trust is a leading provider of corporate trustee services to the funds management and debt capital markets industry. This includes trustee and responsible entity for a broad range of investment funds across multiple asset classes as well as investment management and accounting services for managed investments trusts. In the debt capital markets, Perpetual Corporate Trust provides trustee, trust management, document custody and data services for mortgage and asset backed securitisation programs for major banks, large financial institutions and non-bank lenders.

Perpetual Corporate Trust was not involved in the establishment of the PDS and are not accountable for the performance of the Fund.

The Custodian's role as custodian is limited to holding the assets of the Fund. The Custodian has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to a unit holder.

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

The Custodian has not withdrawn its consent to be named in this PDS as custodian of the Fund in the form and context in which it is named.

The Responsible Entity may change the appointed custodian from time to time without notice to you.

### 6.4. ADMINISTRATION MANAGER

Vasco Fund Services Pty Limited has been appointed by the Responsible Entity to provide fund administration services to the Fund, including processing applications, fund accounting and unit registry maintenance.

### 6.5. AUDITOR AND COMPLIANCE PLAN AUDITOR

ShineWing Australia has been appointed by the Responsible Entity to audit the Fund and audit the Compliance Plan for the Fund.

ShineWing Australia is a leading international Asia Pacific accounting and advisory firm with 32 partners in Australia and an 80 year history of servicing local and international clients. Our member alliance with ShineWing International gives our clients access to ShineWing China - the largest indigenous Chinese domestic accounting practice, creating opportunities in specialist industries that provides local knowledge and real connections. ShineWing Australia has a dedicated national Financial Services Sector group that focuses on providing collaborative solutions to clients. Our partners and managers discuss technical and trending issues relevant to investment managers and ensure our clients are a step ahead.

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

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

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

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

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

## **7.1. PROPERTY AND DEVELOPMENT RISKS**

The Fund will predominantly invest in medium density property development opportunities and projects. There are numerous risks associated with such projects. For example, these funds 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 that the Responsible Entity finds acceptable. There is also a risk that contractors may default under the terms of a contract due to circumstances outside the control of the Responsible Entity (for example, if a contractor becomes insolvent). These risks cannot be completely mitigated however the Responsible Entity intends to mitigate these risks where possible by using appropriate contracts and contractors.

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

## **7.2. MARKET RISK**

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

## **7.3. CONSTRUCTION RISK**

Construction costs may be materially different from financial forecast information prepared by the Investment Manager on a particular Project. This could result in an increase in the Fund's expenses, reducing expected profits and returns to investors.

## **7.4. ENVIRONMENTAL RISK**

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

## **7.5. PROJECT SALES PRICES AND TIMING OF COMPLETED PROJECTS**

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

## **7.6. THIRD PARTY RISK**

Service providers, including external contractors and related parties of the Responsible Entity or the Investment Manager, will be appointed to carry out the Projects and may default in the performance of their services to the Fund or may become insolvent. The Responsible Entity, and/or the trustee of each Sub-Trust, may also engage entities that are associated with shareholders of the Investment Manager. Similarly, if the Responsible Entity enters in a joint venture arrangement with a third party to carry out a particular Project, then there is also a risk the joint venture party may default in the performance of its services or obligations to the Fund under the joint venture arrangement. Enforcement of contractual arrangement and replacement of service providers may result in additional cost to the Fund and reduce returns to investors.

## **7.7. 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 Responsible Entity, the Investment Manager, any of their directors, associates or consultants on the performance of the Fund.

## **7.8. MANAGER RISK**

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

There is always a risk that the Responsible Entity 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 Responsible Entity, 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.

## **7.9. DEFAULT AND CREDIT RISK**

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

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

## **7.10. FUNDING RISK**

At the time of the issue of this PDS, the Investment Manager has not yet secured debt finance for the Projects. The Fund will look to borrow to fund construction costs; however, the Fund will endeavour to have sufficient pre-sales on any Project to provide adequate debt coverage prior to commencement of construction. Borrowings will be either on a Project-by-Project basis, secured by the real property acquired for each Project or across multiple Projects or secured by the real property acquired across multiple Projects. There is a risk that the Fund does not obtain the funding required to complete a particular Project, in which case Vasco may determine it is in the best interests of the Fund to sell a Project during its development phase and in any event, prior to its completion.

## **7.11. DIVERSIFICATION RISK**

The Fund will be exclusively investing in real estate development projects in the Hunter Region. As such, the Fund will not be diversified by sector or geography and the Fund will be exposed to any events which have an adverse effect on the value of the underlying assets in the real estate sector in the Hunter Region.

## **7.12. 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 Responsible Entity thereby preventing the continued operation of the Fund.

### **7.13. LIQUIDITY RISK**

The Fund is an illiquid investment and an investment in the Fund should be viewed as illiquid. There is currently no secondary market for Units and it is unlikely that any active secondary market will develop. The Responsible Entity has the discretion to refuse a transfer of Units if, in the Responsible Entity's opinion, the transfer is not in the interests of the Fund or if the Unitholder or transferee has not complied with any applicable laws.

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

### **7.14. OPTIONS RISK**

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

### **7.15. TAX RISK**

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

### **7.16. VALUE OF UNIT RISK**

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

### **7.17. ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS**

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

### **7.18. GEARING RISK**

The Fund intends to have debt facilities and thus Unitholders will be exposed to gearing risk. Gearing can magnify gains but can also magnify losses and typically gearing increases the risk of the Investment.

### **7.19. INTEREST RATE RISK**

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

### **7.20. PERFORMANCE RISKS**

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

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

## **7.21. OPERATING HISTORY**

The Fund has a short operating history upon which Unitholders may base an evaluation of its likely performance. The success of the Fund's investment activities will depend almost entirely on the Investment Manager's ability to carry out the proposed investment strategy successfully. While the principals of the Investment Manager have previous experience making and managing investments of the type contemplated by the Fund, there can be no assurance that the Fund's investments will achieve the Target Return of 10% Return of capital.

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

## **7.22. VALUATION RISK**

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

## **7.23. FEES AND EXPENSES**

The Fund will incur fees and expenses regardless of whether it is successful. The Fund will pay Investment Manager fees, Responsible Entity 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, Responsible Entity 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 Responsible Entity 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 Responsible Entity and the Investment Manager in seeking to source, evaluate, structure, negotiate, close, monitor and exit the investment. There can be no assurance that the Fund will be successful in being able to recover these fees and expenses from a successfully closed investment. These amounts may be significant and could have an adverse impact on the return that Unitholders might otherwise realise.

## **7.24. THINLY-CAPITALISED MANAGEMENT**

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

## **7.25. RELATED PARTIES AND CONFLICTS OF INTEREST**

The Responsible Entity and the Investment Manager each have significant roles and responsibilities in relation to the Fund. The trustee of each of the Sub-Trusts is a related party of the Responsible Entity. The trustee of each of the Sub-Trusts has appointed or may appoint a related entity of the Investment Manager to act as the selling agent for property held by the Sub-Trusts.

The Responsible Entity may also engage a selling agent on similar terms for property held by the Fund.

Further, the Responsible Entity, and/or the trustee of each of Sub-Trust, may also engage entities associated with shareholders of the Investment Manager.

There is a risk that decision-making between the entities may not be impartial and subject to conflicts of interest. Further background to related parties is explained in the document, 'ASIC benchmarks and disclosure principles for the 35 Latitude Development Fund', available from the Responsible Entity's website at [www.vascofm.com](http://www.vascofm.com) or on request.

## **7.26. CYBER SECURITY RISK**

Investors should be aware that while the Responsible Entity 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 unauthorised 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 Responsible Entity in connection with their investment in the Fund.



In the event serious harm is a likely outcome of a breach of the Responsible Entity's Information Technology Systems, the Responsible Entity 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 Responsible Entity may also be required to notify any regulatory authority as required by law.

#### 7.27. COVID-19

Any number of unknown risks may arise as a result of the current COVID-19 pandemic, which may adversely impact the Fund and returns to Investors. These risks may be exacerbated by social and health issues and any related Government restrictions or policies implemented in response to the pandemic.

#### 7.28. 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 Responsible Entity nor Investment Manager guarantees the repayment of investments or the performance of the Fund.**





## 8. FEES AND EXPENSES

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

### CONSUMER ADVISORY WARNING

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

#### DID YOU KNOW?

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

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

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

#### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investment Commission (ASIC)** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you compare different fee options.

### 8.1 Fees and Other Costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns of your investment or from the Fund's assets as a whole.

Taxation information is set out in Section 9.

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

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

TYPE OF FEE OR COST <sup>1</sup>	AMOUNT <sup>2</sup>	HOW AND WHEN PAID
<b>Ongoing annual fees and costs</b>		
<i>MANAGEMENT FEES AND COSTS</i> The fees and costs for managing your investment		
<b>Responsible Entity Fees</b>	<p><b>Responsible Entity Fee</b> of up to 5% per annum of the gross asset value of the assets subject to a minimum fee of \$52,250 per annum.</p> <p><b>Administration Fee</b> of \$30,597.60 per annum.</p>	<p>Calculated monthly and payable to the Responsible Entity monthly in arrears from the Fund's assets.</p> <p>The Administration Fee is subject to an annual increase of 3% per annum on 1 January of each year and will be paid by the Fund to the Administration Manager.</p>
<b>Investment Managers Fees</b>	<p><b>Investment Management Fee</b> of 2.0% per annum of the monthly gross asset value of the Fund.</p> <p><b>Acquisition Fees</b> of up to 5.0% of the purchase price of each Property.</p> <p><b>Debt Arrangement Fees</b> of up to 0.5% of the total amount borrowed by the Fund pursuant to a debt facility.</p>	<p>Calculated monthly and payable to the Investment Manager monthly in arrears from the Fund's assets.</p> <p>Calculated on the purchase price of each Property and payable to the Investment Manager on settlement of the relevant Property from the Fund's assets.</p> <p>Calculated on the total amount of money borrowed by the Fund or a Sub-Trust pursuant to a debt facility and payable to the Investment Manager within 30 days of each drawdown under the debt facility.</p>
<b>Expenses</b>	Expected to be 1.15% per annum of the gross asset value of the Fund.	Fees are calculated on a monthly basis and paid as they fall due from the assets of the Fund on at least a monthly basis.
<b>Indirect Costs<sup>3</sup></b>	Expected to be up to 0.19% per annum of the gross asset value of the Fund.	Expenses may be claimed on a monthly basis, and are deducted from the assets of each Sub Trust on at least a monthly basis.
<i>PERFORMANCE FEES</i> Amounts deducted from your investment in relation to the performance of the product		
<b>Performance Fee</b>	20% of the increase in the Withdrawal Price of the Fund over a 12-month period as at the 30 June of each year <sup>4</sup> .	This fee is calculated and is payable to the Investment Manager as at 30 June each year out of the Fund's assets.
<i>TRANSACTION COSTS</i> the costs incurred by the scheme when buying or selling assets		
<b>Transaction Costs</b>	Expected to be 0.91% per annum of the gross asset value of the Fund.	Paid from the Fund's assets when the expense is incurred.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the product)</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be 1.00% of the Application Price calculation at the time units are issued. No sell spread is expected to be applied from the Withdrawal Price calculation when units are redeemed.	The buy and sell spreads are retained within the Fund and are not fees paid to the Responsible Entity or Investment Manager

<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

1. This information has been updated based on the information for the financial year ending 30 June 2021. See "Additional explanation of fees and costs" below for further details as to fees and costs you may be charged.
2. All fees are inclusive of GST (less any reduced input tax credits).
3. This fee is calculated as \$1,500 per annum in Trustee fees plus expenses per Sub Trust. The total indirect costs across the Sub Trusts for the financial year ending 30 June 2021 was approximately \$18,654.00 or 0.17% of GAV. The estimated indirect costs for the 2022 financial year are 0.19% of the gross asset value of the Fund.
4. See Additional explanation of fees and costs.

## 8.2 Example of Annual Fees and Costs for the Fund

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

<b>EXAMPLE</b>		
<b>35 LATITUDE DEVELOPMENT FUND      BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR</b>		
Contribution Fees	Nil	For every \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management Fees and Costs	3.87% per annum of the net asset value of the Fund <sup>1</sup>	And, for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment \$1,935 each year
<b>PLUS</b> Performance Fees	Nil <sup>2</sup>	And, you will be charged or have deducted from your investment \$0 <sup>2</sup> in performance fees each year.
<b>PLUS</b> Transaction costs	0.91%	AND, you will be charged or have deducted from your investment \$455 in transaction costs.
<b>EQUALS</b> Cost of Fund <sup>3</sup>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of around \$2,390.

1. Estimate of the total management costs (which does not include transactional and operational costs) deducted from the Fund and is represented as a percentage of the gross asset value of the Fund in FY2021.
2. Since the Fund was established, the Fund has not charged a performance fee. Please see 'Additional Explanation of Fees and Costs'.
3. Additional fees and costs may apply. Please refer to the explanation of 'Transactional and Operational Costs' and the 'Buy/Sell Spread' in the 'Additional Explanation of Fees and Costs' section.

## 8.3 Additional Explanation of Fees and Costs

### MAXIMUM RESPONSIBLE ENTITY FEES

Under the current Constitution, the Responsible Entity is entitled to charge the following fees and be reimbursed for costs incurred in relation to the proper performance of its duties:

- Administration Fee of \$30,597.60 per annum, subject to an increase of 3 percent per annum on 1 January of each year following commencement of the Trust. The Responsible Entity pays this fee to the Administration Manager in its entirety;
- Responsible Entity Fee of up to 5% per annum of the gross asset value of the assets subject to a minimum fee of \$52,250 per annum calculated and payable monthly from the registration date of the Fund to the date of final distribution or termination of the Fund;

### EXPENSES

Expenses means costs incurred by the Responsible Entity and Investment Manager in the administration of the Fund and includes fees payable to the Custodian, auditor and Compliance Plan auditor and also includes other administrative expenses

such as accounting and legal advice, audit fees, insurances, consulting fees, costs relating to Unitholder meetings and registry fees.

The Constitution does not limit the amount that the Responsible Entity can recover from the Fund as expenses provided, they are properly incurred in operating the Fund.

The Responsible Entity reasonably estimates the ordinary expenses of the Fund to be 1.15% per annum of the gross asset value of the Fund for the current financial year.

To be clear, these expenses can include all expenses related to the Investment Manager (including travel and related expenses) incurred in connection with potential Investments (including investments that are not consummated) such as costs associated with the acquisition, financing, holding, sale, proposed sale or valuation of any Investment and including the repayment of such financings, the costs of establishing and maintaining any borrowing facility, associated fees and expenses, fees of auditors, fees of due diligence consultants (including, without limitation, financial, physical and environmental consultants). For the avoidance of doubt, they do not include any transactional or operational costs associated with holding the Properties.

### INDIRECT COSTS

The indirect costs totalled 0.18% of the gross asset value of the Fund in the 2021 financial year, including trustee and accounting fees for each of the Sub Trusts as well as other out of pocket expenses incurred in operating the Sub Trusts. The estimated indirect costs for the next financial year are 0.19% of the gross asset value of the Fund.

### INVESTMENT MANAGER FEES

These are the fees payable to the Investment Manager for managing the Fund's assets. In calculating the value of the Fund's net assets for this purpose, the value of the Properties held by the Sub-Trusts will be included. Pursuant to the terms of the Investment Management Agreement the Investment Manager is entitled to charge the following fees:

- **Investment Management Fee** of 2.0% per annum of the monthly gross asset value of the Fund. This fee is calculated and is payable to the Investment Manager monthly in arrears from the Fund's assets. In the 2021 financial year the Investment Management Fees total \$235,386.00.
- **Acquisition Fees** of up to 5.0% per annum of the purchase price of each Property. This fee is calculated on the purchase price of each Property (including any stamp duty and legal fees). The Acquisition Fee is payable on the settlement of each Property. In the 2021 financial year there were no Acquisition Fees charged to the Fund.**Debt Arrangement Fee** of up to 0.5% of the total amount borrowed by the Fund pursuant to a debt facility. This fee is calculated on the total amount of money borrowed by the Fund or a Sub-Trust pursuant to a debt facility and payable to the Investment Manager within 30 days of each drawdown under the debt facility. In the 2021 financial year there were no Debt Arrangement Fees charged to the Fund.
- **Performance Fee** the Investment Manager is entitled to a performance fee. Please see 'Example of Performance Fees' below.

### BUY AND SELL SPREADS

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

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

When you enter or leave the Fund, any buy or sell spread applicable at that time is a cost to you, additional to the fees noted in Table 1, and is reflected in the unit price. The buy and sell spreads are retained within the Fund; they are not fees paid to the Responsible Entity or the Investment Manager. The buy spread is taken out of the application amount. The sell spread is taken out of the withdrawal amount.

As at the date of this PDS, a buy spread of 1% and a sell spread of zero apply to the Fund. Current buy and sell spreads can be obtained online at [www.vascofm.com](http://www.vascofm.com) or by contacting us.

Based on the buy and sell spreads noted above, an investment of \$50,000 would incur a buy spread of \$500, and a withdrawal of \$50,000 would incur a sell spread of \$0. This is an example only; it is not an estimate or forecast. The actual buy and/or sell spreads may be higher or lower.

## EXAMPLE OF PERFORMANCE FEES

The Investment Manager is entitled to a performance fee of 20% of the increase in the Withdrawal Price of the Fund over a 12-month period as at the 30 June of each year, subject to any previous underperformance being recovered.

Since the inception of the Fund, the Fund has not recorded an increase in the Withdrawal Price of the Fund in any financial year. Therefore, the Fund has not incurred a performance fee, as it has not exceeded the performance threshold to enable a performance fee to accrue. Therefore, the average performance fee incurred as set out in the Fees and Costs Summary during this period is nil or 0.00%. This performance fee for the current financial year is estimated to be nil or 0.00%, based on the average performance fee charged by the Fund in the financial years since its inception.

There is no ability to clawback payments of the Performance Fee made to the Investment Manager for historical outperformance in future financial years.

If the calculation of the increase in Withdrawal Price of the Fund over a 12-month period as at the 30 June of each year yields a negative amount, then it is added to any negative amounts carried forward from previous periods and represents the carried forward under performance. In this case, no performance fee is payable in that period.

If the calculation of the increase in Withdrawal Price of the Fund over a 12-month period as at the 30 June of each year yields a positive amount, then any carried forward under performance from previous periods is subtracted.

- (a) If this results in negative amount, the lower amount represents the new carried forward under performance. In this case, no performance fee is payable in respect of that period.
- (b) If the result is a positive amount, then that amount is multiplied by 20 percent and represents the performance fee payable in respect of that period.

The following table provides an example of how the Performance Fee can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

STEPS	CALCULATION EXAMPLE
Calculate Withdrawal Price as at 30 June	Withdrawal Price is calculated per the Constitution as follows: $(\text{Net Asset Value} - \text{Transaction Costs}) / \text{Units in Issue}$ Assumes a Withdrawal Price of \$1.20.
Calculate difference in Withdrawal Price over 12-month period	If the Withdrawal Price as at 30 June of the previous year was \$1.00, the increase in Withdrawal Price is \$0.20 per unit.
Calculate performance	Assuming there are 100,000 units on issue, this represents an increase of \$20,000.
Calculate performance fee	The Investment Manager is entitled to a performance fee of 20% of the difference in the Withdrawal Price over a 12-month period ending as at 30 June of each year. 20% of \$20,000 is equal to \$4,000.
Calculate effect on unit holder	After the Performance Fee the Fund is returning \$0.16 per unit. If you invested \$50,000 at \$1.00 per unit you initially had 50,000 units. Prior to the Performance Fee you would have been entitled to \$0.20 per unit, equalling a return of \$10,000. After the Performance Fee, you are entitled to a return of \$0.16 per unit, equalling a return of \$8,000.

## **TRANSACTIONAL AND OPERATIONAL COSTS**

Transaction costs are costs incurred by the Fund for buying and selling direct property and other Fund assets. They include brokerage, stamp duty, legal and tax advice, and property acquisition and settlement costs, including agents' fees and costs associated with marketing, sales and advertising. This includes fees payable to a related party of the Investment Manager has been, and may be, engaged by the trustee of each applicable Sub-Trusts to act as the selling agent for property held by the Sub-Trusts pursuant to agreements entered into in accordance with these related party protocols. The Responsible Entity may also engage a selling agent on similar terms for property held by the Fund.

Transaction costs incurred in the 2021 financial year was \$80,360.00. The estimated transaction costs for the 2022 financial year are 0.91% of the gross asset value of the Fund.

## **ABNORMAL EXPENSES**

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

## **FEES FOR OTHER SERVICES**

The Responsible Entity or a related party of the Responsible Entity or the Investment Manager may also provide other services to the Fund and Sub Trusts or the Fund's Unitholders in the future. Should that occur, the Responsible Entity or a related party of the Responsible Entity or the Investment Manager will charge fees for those services at commercial market rates for the provision of those services.

## **DIFFERENTIAL FEES**

The Responsible Entity may rebate fees on an individual basis as permitted by the Corporations Act and ASIC relief. For example, the Responsible Entity may rebate fees with wholesale investors as defined in the Corporations Act.

## **CHANGES TO FEES AND EXPENSES**

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

## **WAIVER AND DEFERRAL OF FEES**

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

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

## **MAXIMUM FEES**

The maximum fees chargeable by the Responsible Entity as set out in the Constitution are the same as those outlined in this section.

## **ADVICE FEES**

The Responsible Entity does not pay advice fees. You may agree with your financial adviser that an initial advice fee will be paid for ongoing financial planning services your financial adviser provides for you in relation to your investment. This advice fee is additional to the fees shown in Section 8.1, and is paid to the Australian financial services licensee responsible for your financial adviser (or your financial adviser directly if they are the licensee). It is not paid to the Responsible Entity.

## **OTHER PAYMENTS AND BENEFITS**

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

## 9. TAXATION INFORMATION

Investing in the Fund is likely to have tax consequences. Each Unitholder must take full and sole responsibility for the associated taxation implications arising from an investment in the Trust and any changes in those taxation implications during the term of their investment. It is recommended that Prospective investors obtain their own independent taxation advice before investing in the Trust.

### 9.1 FUND STRUCTURE

The Fund is an unlisted, registered Australian unit trust scheme that will primarily invest in Australian real estate and real estate projects. The Fund structure is described in Section 3.1 (Investment Structure).

As the Fund is a unit trust, the Fund will effectively be treated as a flow-through vehicle for income tax purposes provided that the Trust distributes all of its income to the Unitholders on an annual basis. To the extent that the Responsible Entity does not distribute income, the Responsible Entity will be taxed at 49% on the income retained.

As the Fund will carry on active business activities (i.e. property development), it is possible that the Fund could be taxed as a company in the future if the Fund is considered to be a public trust. The Fund could be considered public in a number of circumstances, including having 50 or more Unitholders in the Fund. The Responsible Entity does not believe that the Fund will be considered public at this early stage and will continue to monitor compliance with these rules on an ongoing basis.

### 9.2 TAX FILE NUMBER AND AUSTRALIAN BUSINESS NUMBER (AUSTRALIAN UNITHOLDERS ONLY)

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

### 9.3 AUSTRALIAN GOODS AND SERVICES TAX (GST)

GST should not be payable on the issue or redemption of units nor on any of the distributions to Unit holders. GST may apply to the fees charged to the Fund by the Investment Manager and in relation to other expenses of the Fund. The Fund may be entitled to claim input tax credits and / or reduced input tax credits for any GST paid. All fees outlined under Section 8 'Fees and Expenses' are inclusive of the of GST.

### 9.4 FOREIGN TAX COMPLIANCE DISCLOSURE

Foreign Account Tax Compliance Act ('FATCA') is United States (US) legislation that enables the US Internal Revenue Service to identify and collect tax from US residents that invest in assets through non-US entities. The OECD Common Reporting Standards for Automatic Exchange of Financial Account Information (CRS) is a similar global regime aimed at collecting and reporting on an investor's tax status. If you are a foreign resident for tax purposes, then you should note the Fund will comply with its FATCA and CRS obligations by collecting, retaining and reporting about certain investors to the Australian Taxation Office (ATO).

# 10. ADDITIONAL INFORMATION

## 10.1 SUMMARY OF MATERIAL DOCUMENTS

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

- (1) Constitution
- (2) Compliance Plan
- (3) Custodian Agreement
- (4) Investment Management Agreement
- (5) Administration Agreement

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

### (1) CONSTITUTION

The Constitution is the primary document that governs the way the Fund operates and sets out the rights, liabilities and responsibilities of both the Responsible Entity and Unitholders.

Each Unit gives you an equal and undivided interest in the Fund. However, a Unit does not give you an interest in any particular part of the Fund. Subject to the Constitution, as a Unitholder you have the following rights:

- o The right to share in any distributions
- o The right to attend and vote at meetings of Unitholders
- o The right to participate in the proceeds of winding up of the Fund

The Constitution also contains provisions about convening and conducting meetings of Unitholders.

The Responsible Entity can amend the Constitution without Unitholders' approval provided it reasonably considers the change will not adversely affect Unitholders' rights.

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

A copy of the Constitution can be viewed at ASIC or is available to Unitholders from the Responsible Entity free of charge.

### (2) COMPLIANCE PLAN

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

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

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

### (3) CUSTODIAN AGREEMENT

The Responsible Entity has entered into a Custodian Agreement with Perpetual Corporate Trust Limited (**Perpetual Corporate Trust**), whereby the Responsible Entity has appointed Perpetual Corporate Trust as a service provider to provide custodial services in relation to various schemes, including the Fund.

### (4) INVESTMENT MANAGEMENT AGREEMENT

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

The Investment Management Agreement sets out the Investment Manager's obligations to the Responsible Entity and to the Fund. The agreement also contains the arrangements in relation to the Fees and Costs that are summarised in Section 8.



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 Responsible Entity 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 Responsible Entity to terminate if, for example, the Investment Manager becomes insolvent.

If the Responsible Entity is replaced then the Investment Management Agreement will continue to operate on the same terms as between the Investment Manager and the new responsible entity of the Fund.

#### (5) ADMINISTRATION AGREEMENT

The Administration Agreement is between the Responsible Entity and the Administration Manager under which the Administration Manager provides administration services to the Fund.

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

## 10.2 COOLING OFF RIGHTS

As at the date of this PDS, there is no cooling off period for Applications in the Fund as the Fund is not liquid.

However, if the Fund was to become liquid at some point in the future, a 14-day cooling off period would be available to investors to decide whether to proceed with an application under this PDS. The cooling off period starts on the earlier of:

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

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

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

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

## 10.3 PRIVACY

If you complete an Application Form, you will be providing personal information to the Responsible Entity. The Responsible Entity and service providers to the Responsible Entity will collect, hold and use that information to assess your Application, service your needs as a Unitholder, facilitate distribution payments, send communications to you as a Unitholder, carry out administration of the Fund and for other purposes permitted under the Privacy Act 1988 (Cth).

Your personal information may also be used from time to time and disclosed to persons inspecting the register, regulatory bodies including the Australian Taxation Office and ASIC, your financial advisor, print service providers and mail houses.

The Responsible Entity, the Investment Manager and Administration Manager may also use your personal information to tell you about other products and services offered by the Responsible Entity, the Investment Manager and Administration Manager or other related bodies corporate.

You can access, correct and update the personal information held about you. Please contact the Administration Manager if you wish to do so at the relevant contact numbers set out in this PDS.

The Responsible Entity is committed to respecting the privacy of your personal information. The Responsible Entity has adopted a privacy policy, which states how the Responsible Entity manages personal information. You can obtain a copy of that policy by written request.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 and the Corporations Act. You should note that if you do not provide the information required on the Application Form, the Responsible Entity may not be able to accept or process your Application Form and, accordingly, you may not be allotted any Units.

## 10.4 COMPLAINTS HANDLING

Applicants and Unitholders who wish to make a complaint about the Fund should contact the Responsible Entity by email to [info@vascofm.com](mailto:info@vascofm.com) or in writing addressed to:

**The Complaints Officer  
Vasco Trustees Limited  
Level 4, 99 William Street  
Melbourne VIC 3000**

The Responsible Entity will acknowledge a complaint as soon as practicable after receiving it and will notify the complainant of its decision, remedies and other information within 30 days of the complaint being made.

A 'Dispute Resolution Guide' is available on the Responsible Entity's website at [www.vascofm.com](http://www.vascofm.com) which further set out its dispute management process.

Complaints that cannot be resolved internally by the Responsible Entity to the Investor's satisfaction can be taken to the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. You can contact the AFCA as follows:

Website: [www.afca.org.au](http://www.afca.org.au)  
Telephone: 1800 931 678 (free call within Australia)  
Facsimile: (03) 9613 6399  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Post: GPO Box 3, Melbourne, Victoria, 3001,

## 10.5 RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

The Responsible Entity maintains and complies with a written policy on related party transactions to ensure that any actual or potential conflicts of interest are identified and appropriately dealt with. Any potential transactions with related parties go through an assessment process, and must be approved by the relevant board of directors. No related party transactions can be approved or entered into unless they are strictly on arms-length, commercial terms (unless otherwise approved by Unitholders, with any possible conflicts of interest having been fully disclosed). Any related party transactions are then monitored quarterly at board meetings to ensure they are being carried out as approved. Unitholders can obtain a copy of the Responsible Entity's related party policy free of charge by contacting the office of the Responsible Entity.

Where the Investment Manager enters into transactions with related parties, or entities associated with the shareholders of the Investment Manager, it is done in accordance with related party protocols and the Investment Manager's policies and standards which require the transaction to be on terms that would be reasonable if the parties were dealing at arm's length (and therefore member approval is not required). A related party of the Investment Manager has been, and may be, engaged by the Trustee (in its capacity as the trustee of each applicable Sub-Trusts) to act as the selling agent for property held by the Sub-Trusts pursuant to agreements entered into in accordance with these related party protocols. The RE may also engage a selling agent on similar terms for property held by the Fund.

The directors, shareholders and associates of the Responsible Entity and the Investment Manager may hold Units in the Fund, along with other Unitholders. Unless otherwise disclosed, these Units will be issued on the same terms as those issued to other Unitholders. To the extent these related Unitholders have an interest (other than as Unitholders) in a resolution put to a meeting of Unitholders they will be excluded from voting on the resolution.

The Fund is not precluded from investing in companies that are related parties of the Responsible Entity or Investment Manager under its Constitution.

## 10.6 STATEMENT REGARDING LABOUR STANDARDS AND ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

The Responsible Entity does not, in the context of making decisions relating to the Fund, take into account labour standards or environmental, social or ethical considerations, except to the extent that the Responsible Entity considers these issues have the potential to materially impact on the merits of its decisions in relation to the Fund. This means that if the sustainability or value of the Fund is adversely affected due to unacceptable labour standards or environmental, social or ethical factors, the Responsible Entity may choose not to invest further or to dispose of the investment.

## 10.7 ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING

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

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

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

## 10.8 'DISCLOSING ENTITY' OBLIGATIONS

If the Fund has 100 Unitholders or more, it will be considered a 'disclosing entity' under the Corporations Act. As a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations.

Copies of any documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. Unitholders will have the right to obtain a copy of the following documents from us free of charge:

- o the most recent annual financial report for the Fund lodged with ASIC;
- o any half year financial report for the Fund lodged with ASIC after the lodgement of the annual financial report; and
- o any continuous disclosure notices for the Fund lodged with ASIC.

Copies of these documents will also be available on our website for download.

## 10.9 CONSENT OF EXPERTS AND OTHER PARTIES

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

- o Vasco Trustees Limited
- o Vasco Fund Services Pty Limited
- o 35 Latitude Pty Ltd
- o DHF Investment Managers Pty Ltd
- o Perpetual Corporate Trust Limited
- o ShineWing Australia

# 11. GLOSSARY OF TERMS

ADMINISTRATION MANAGER	Means Vasco Fund Services Pty Limited (ACN 610 512 331).
AFSL	Means an Australian financial services licence.
AML/CTF	Means Anti-Money Laundering and Counter Terrorism Financing Act 2006.
APPLICATION FORM	Means the application form attached to or accompanying this PDS.
APPLICATION	Means an application for Units in accordance with this PDS.
APPLICANT	Means an applicant for Units under this PDS.
ASIC	Means the Australian Securities and Investments Commission.
BUSINESS DAY	Means a day other than Saturday or a Sunday on which banks are open for general business in Melbourne, Victoria or a Public Holiday.
COMPLIANCE PLAN	Means the compliance plan for the Fund as amended from time to time.
CONSTITUTION	Means the constitution for the Fund including any supplementary or replacement constitution, which are available free of charge upon request.
CORPORATIONS ACT	Means the Corporations Act 2001 (Cth).
CUSTODIAN	Means the custodian of the Fund which, at the date of this PDS, is Perpetual Corporate Trust Limited (ACN 000 341 533).
CUSTODIAN AGREEMENT	Means the agreement between the Custodian and the Responsible Entity dated 6 August 2019 and Deed of Amendment to Custody Agreement dated 23 April 2020.
EXPENSES	Means costs incurred by the Responsible Entity in administration of the Fund and are limited to custodial fees, accounting and legal advice, audit fees, insurances, consulting fees, costs relating to Unitholder meetings and registry fees.
FINANCIAL YEAR	Means each year commencing on 1 July and ending on 30 June.
FUND	Means 35 Latitude Development Fund (ARSN 620 185 266) and the Sub-Trusts.
INCOME ENTITLEMENT	Means the entitlement of Unitholders to the income of the Fund.
INVESTMENT CRITERIA	Means the investment criteria of the Fund as referred to in Section 3.4.
INVESTMENT MANAGER	Means 35 Latitude Pty Ltd (ACN 610 907 474). The Investment Manager is a corporate authorised representative (No. 001239775) of DHF Investment Managers Pty Ltd (ACN 607 120 570 AFSL 509932).
MANAGEMENT FEE	Means the amount paid to the Manager as referred to in Section 8.
MINIMUM TERM	A period of 24 months from the date of issue of a Unit to a Unitholder, during which that Unitholder is not able to participate in Withdrawal Offers that would otherwise be available in relation to the Unit.
OFFER	Means the offer made by this PDS to invest in the Fund.
PERFORMANCE FEE	Means the fee paid to the Manager for exceeding the Target Return as referred to in Section 8.
PDS	Means this Product Disclosure Statement dated 14 April 2022.
PROJECT	Means the development of a Property.
PROPERTY	Means real property acquired directly or indirectly by the Fund.
RESPONSIBLE ENTITY	Means Vasco Trustees Limited (ACN 138 715 009, AFSL No. 344486).
RESPONSIBLE ENTITY FEE	Means the amount paid to the Responsible Entity as referred to in Section 8.
SUB TRUST	Means any sub-trust of the Fund.

TARGETED RETURN	Means returns to Unitholders of 10.0% per annum over a 3-year period (after all fees and charges but before tax).
UNIT	Means a unit in the Fund.
UNIT PRICE	Means, at any point in time, the net asset value of the Fund divided by the number of Units on issue from time to time.
UNITHOLDER	Means a person or entity that holds Units.
VALUATION	Means a valuation carried out in accordance with Section 3.
WITHDRAWAL OFFER	An offer to withdraw from the Fund made by the Responsible Entity.
WITHDRAWAL PRICE	The Withdrawal Price is defined and calculated according to the Fund's constitution.
WITHDRAWAL REQUEST	A withdrawal request form, available on the Responsible Entity's website, at <a href="http://www.vascofm.com">www.vascofm.com</a> , to be used to respond to a Withdrawal Offer.



# 12. HOW TO INVEST

## 12.1 APPLICATIONS FOR UNITS

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

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

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

The Responsible Entity (through the Custodian) has the discretion to retain the application monies in the application account for a period of up to 30 days before deciding to accept (for the next application time) or reject the Application in whole or in part.

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

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

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

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

**Vasco Fund Services Pty Limited**  
**Level 4, 99 William Street**  
**Melbourne,**  
**Victoria, 3000, Australia**  
**T +61 3 8352 7120**  
**F +61 3 8352 7199**  
**E [info@vascofm.com](mailto:info@vascofm.com)**

All application money payments should be made as follows:

**1. By cheque:**

Cheques should be made out to “PERPETUAL CORPORATE TRUST LIMITED ACF 35 LATITUDE DEVELOPMENT 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 “PERPETUAL CORPORATE TRUST LIMITED ACF 35 LATITUDE DEVELOPMENT FUND” c/o **Commonwealth Bank – BSB: 062 000, Account: 19894530** and identified by the name of the person or entity making the transfer (including ACN or ABN) where applicable.

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

## **12.2 UNIT ALLOTMENT**

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

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 PDS.

Where the number of units allotted is less than the number of units applied for or where no allotment is made, the surplus application monies will be returned to the applicant by cheque within 14 days of the relevant closing date. Interest will not be paid on refunded application monies.

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

## **12.3 MINIMUM INVESTMENT**

The Minimum Investment Amount is \$20,000 with increments of \$10,000 thereafter, subject to the Responsible Entity's discretion to accept lesser amounts.

## Application Form

### 35 Latitude Development Fund



Use this application form if you wish to invest in:

#### 35 Latitude Development Fund

This Product Disclosure Statement (PDS) dated 14 April 2022, for the 35 Latitude Development Fund (Fund), includes information about purchasing Units in the Fund. Any person who gives another person access to the Application Form must also give the person access to the PDS and any incorporated information. You should read the PDS and any incorporated information before completing this Application Form.

The Responsible Entity of the Fund is Vasco Trustees Limited (Vasco) ABN 71 138 715 009, AFSL 344486. Vasco or a financial adviser who has provided an electronic copy of the PDS and any incorporated information, will send you a paper copy of the PDS and any incorporated information and Application Form free of charge if you so request.

## Customer identification

If you are a new Investor, you are also required to complete the relevant Customer Identification Form depending on what type of Investor you are e.g. individual or super fund. The Customer Identification Forms are available on our website [www.vascofm.com](http://www.vascofm.com) or by calling our the Administration Manager on +61 3 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 relevant Customer Identification Form, please complete Sections 1 or 2 and 3.

If you are a financial adviser who has identified and verified the Investor, by completing this Customer Identification Form together with Section 11 and the verification procedure and in the consideration of Vasco accepting the Investor's application:

- you agree to identify and verify all new Investors, using this Customer Identification Form for identifying new Investors
- you agree to retain a copy of the completed forms and all identification documents received from the Investor in the Investor's file for seven (7) years after the end of your relationship with the Investor
- you agree to advise Vasco in writing when your relationship with the Investor is terminated and agree to promptly provide Vasco all identification documents and/or the record of identification received from the Investor at this time, or as otherwise requested from Vasco, from time to time.

## Contact details and submission

Mail your completed Application Form and identity verification documents to:

Vasco Fund Services Pty Limited  
Level 4, 99 William Street  
Melbourne VIC 3000

If you have any questions regarding this form or the required Customer Identification requirements, please contact the Administration Manager on +61 3 8352 7120.

## Checklist

Before sending us your application please ensure you have:

- ☐ completed this form in full;
- ☐ for new investments, completed the relevant 'Identity Verification Form' available on our website [www.vascofm.com](http://www.vascofm.com);
- ☐ if paying via direct debit, completed section 10 ensuring ALL bank account signatories have signed;
- ☐ if paying via cheque, ensure cheque is made payable to 'Perpetual Corporate Trust Limited ACF 35 Latitude Development Fund' and attach it to this Application Form; and
- ☐ read the declaration and provided all relevant signatures and identification document required for all signatories.



## 35 Latitude Development 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

Existing account number

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

## 2. Investor type

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

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

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

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

☐ Australian company – also complete ‘Customer Identification Form – Australian Companies’

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

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

### 3. Investor name

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

Investor 1

[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. Super fund/Trust/Australian company/foreign company/other

[illegible]

## 3C. Account designation (if applicable)

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

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms)

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

#### 4. Contact details

This is the address where all correspondence will be sent.

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

#### 5. Investor attributes

**Personal Advice** Have you received personal financial product advice from your financial advisor in relation to this investment? Yes ☐ No ☐

In relation to our Design and Distribution Obligations (DDO) under the Corporations Act, a Target Market Determination has been made available at <https://vascofm.com>. You should read and carefully consider the Target Market Determination of the Fund before investing.

**Investment Objective** Do you seek predominantly Capital Growth from your Investment? Yes ☐ No ☐

**Asset Allocation** Will this investment represent 25% or less of your total investable assets? Yes ☐ No ☐

**Minimum Investment Time Frame** The suggested minimum investment timeframe for this Fund is 5 years. Do you accept this? Yes ☐ No ☐

**Risks** Do you accept the risks of this Fund as outlined in the Fund PDS and TMD? Yes ☐ No ☐

**Withdrawals** Withdrawals are limited for this fund. Do you accept this? Yes ☐ No ☐

#### 6. Tax information

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

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

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

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

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

##### 5c. Non-residents

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

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

## 7. Investment allocation and payment options

I/we are making my/our investment via:

☐ Direct Credit/EFT → see below.

☐ **Bank Cheque** → make cheque payable to 'Perpetual CT Pty Ltd ACF 35 Latitude Development Fund'.

[illegible]

The minimum initial investment is \$20,000.

**Cheque Instructions:** Bank Cheques or drafts must be made payable to Perpetual CT Pty Ltd ACF 35 Latitude Development 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  
P +61 3 8352 7120  
F +61 3 8352 7199  
E [info@vascofm.com](mailto:info@vascofm.com)

### Direct Credit / EFT Instructions

Alternatively you can direct credit your application funds to:

Perpetual Corporate Trust Limited ACF 35 Latitude Development Fund  
Commonwealth Bank of Australia BSB 062-000  
Account number 19894530

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

## 8. Annual report

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

## 9. 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.

☐ Please credit my/our nominated bank account provided in section 9 with my/our income distributions.

#### 10. 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. By providing your nominated account details in this section you authorise Vasco to use these details for all future transaction requests that you make until notice is provided otherwise. **For additional investments, a nomination in this section overrides any previous nominations.**

[illegible]

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

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

I/We declare that:

- 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.
- all details in this application and all documents provided are true and correct and I/we indemnify Vasco against any liabilities whatsoever arising from acting on any of the details or any future details provided by me/us in connection with this application;
- I/we have received a copy of the current PDS and SPDS and all information incorporated into the PDS and SPDS 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 PDS and SPDS (including the incorporated information) and current Trust Deed of the Fund (each as amended from time to time);
- I/we have carefully considered the features of the Fund as described in the PDS and SPDS (including its investment objectives, minimum suggested investment timeframe, risk level, withdrawal arrangements and investor suitability) and, after obtaining any financial and/or tax advice that I/we deemed appropriate, am/are satisfied that my/our proposed investment in the Fund is consistent with my/our investment objectives, financial circumstances and needs;
- 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 invitation to subscribe for units in the Fund in Australia and represent and warrant to Vasco that I/we are permitted to invest in the Fund without Vasco obtaining any further authorisation, registration or certification in any country other than Australia and agree to indemnify Vasco for any loss suffered if this warranty is untrue;
- the details of my/our investment can be provided to the adviser group or adviser named at the end of this form or nominated by them by the means and in the format that they direct;
- if this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it);
- sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the company;
- I/we acknowledge that if Vasco reasonably believes an email or facsimile communication it receives is from me/us Vasco is entitled to rely on that email or facsimile communication and will not be liable for any loss it may suffer if it is later found the email or facsimile communication was fraudulent.
- unless alternative authority for signature is notified to and accepted by Vasco, the person/persons that signs/sign this form is/are able to operate the account on behalf of the company and bind the company for future transactions, including in respect of additional deposits and withdrawals, including withdrawals by telephone and fax;
- I/we acknowledge that I/we have read and understood the information under the headings 'Privacy' in the relevant PDS and SPDS. I am/We are aware that until I/we inform Vasco otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading and I/we have consented to my/our financial adviser providing such further personal information to Vasco as is required or reasonably deemed necessary by Vasco under applicable law;
- I/we understand that if I/we fail to provide any information requested in this application form or do not agree to any of the possible use or disclosure of my/our information as detailed on the PDS and SPDS, my/our application may not be accepted by Vasco and we agree to release and indemnify Vasco in respect of any loss or liability arising from its inability to accept an application due to inadequate or incorrect details having been provided;
- I/we acknowledge that none of Vasco, or any other member of Vasco or any custodian or investment manager, guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution;
- I/we are bound by the Trust Deed of the Fund and that an application for Units is binding and irrevocable;
- I/we have not relied on statements or representations made by anybody, other than those made in the PDS and SPDS;
- 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;
- I/we acknowledge and agree to having read and understood the risks of investing in the fund as described in the PDS and SPDS 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 also warrant and acknowledge that:

- All information contained in my/our application is true and correct;
- I/we are not a Politically Exposed Person (PEP) as defined by the AML/CTF legislation;
- if the Applicant is a SMSF, it is compliant and investing in this Fund complies with the Superannuation Industry (Supervision) Act 1993 (Cth); and
- I/we hold the appropriate authorisations to become an Investor in the Fund and that offer cannot be revoked;
- I/we are not US Citizens or US tax residents, nor a company trust, partnership or estate in which a US citizen or US tax resident has a substantial or controlling interest. Refer to list of signatories on page 6 of this Application Form.

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

Refer to list of signatories on the relevant sections 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"/>	<input type="text"/>	<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"/>	<input type="text"/>	<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.

## 12. Adviser use only

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

Office name	<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"/>
Advisor group email	<input type="text"/>
Advisor group name	<input type="text"/>
Advisor group AFSL	<input type="text"/>
Advisor Signature	<input type="text"/>
Date	<input type="text"/>

ADVISER STAMP

### Important notes

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

## Signatories

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

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

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

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

## 15. CORPORATE DIRECTORY

### INVESTMENT MANAGER

#### **35 Latitude Pty Ltd**

1B, 571 Pacific Highway, Belmont NSW 2280

PO Box 7098 Redhead NSW 2290

Phone +612 4952 1177

### ADMINISTRATION MANAGER

#### **Vasco Fund Services Pty Limited**

ACN 610 512 331

Level 4, 99 William Street

Melbourne, Victoria, 3000

Phone +613 8352 7120

Fax +613 8352 7199

Web [www.vascofm.com](http://www.vascofm.com)

### RESPONSIBLE ENTITY

#### **Vasco Trustees Limited**

ACN 138 715 009 AFSL No. 344486

Level 4, 99 William Street

Melbourne, Victoria, 3000

Phone +613 8352 7120

Fax +613 8352 7199

Web [www.vascofm.com](http://www.vascofm.com)

### CUSTODIAN

#### **Perpetual Corporate Trust Limited**

Level 18,

123 Pitt Street

Sydney NSW 2000

### FUND AUDITOR & COMPLIANCE PLAN AUDITOR

#### **ShineWing Australia**

Level 10, 530 Collins Street

Melbourne VIC 3000



PROPERTY  
DEVELOPMENT

NEWCASTLE  
1B/571 Pacific  
Highway  
Belmont NSW 2290

PO Box 7098  
Redland NSW 2290

P: +612 4952 1177  
E: [info@35latitude.com.au](mailto:info@35latitude.com.au)

[35LATITUDE.COM.AU](http://35LATITUDE.COM.AU)