

Northern Rivers Development Fund 1 Supplementary Information Memorandum

13 July 2023

IMPORTANT INFORMATION

This Supplementary Information Memorandum dated 13 July 2023 (**SIM**) supplements the Information Memorandum for the Northern Rivers Development Fund 1 (**Fund**) dated 23 February 2023 (**IM**) and issued by VT No.1 Pty Ltd ACN 640 963 319 (**Vasco**) as arranged by Vasco Custodians Pty Ltd CAN 644 232 539 AFSL 530 682 pursuant to an intermediary authorisation under section 911A(2)(b) of the Corporations Act.

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

A number of defined terms are used in this SIM, the meaning of these terms is explained in section 10 (**Glossary**) of the IM.

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

1 Variation of Name of the Ordinary Units on issue in the Fund

Pursuant to the Terms of Issue of the Northern Rivers Development Fund 1 – Class I (“**Class I**”) dated 12 July 2023, the Trustee provides notice of the variation of the name of the Ordinary Units on issue in the Fund which are henceforth to be referred to as Class I Units. The rights and entitlements of the Ordinary Units on issue in the Fund are otherwise unchanged.

This variation of name does not affect the rights, obligations or restrictions previously afforded to the Ordinary Units on issue in the Fund.

The rights, obligations and restrictions of the Class I Units (previously the Ordinary Units on issue in the Fund) remain as previously disclosed in the Information Memorandum dated 23 February 2023 in its entirety. For details of the offer of new Class A Units, please refer to section 2 of this SIM.

2 Establishment of the Northern Rivers Development Fund 1 – Class A

In accordance with the terms of the Trust Deed and upon instructions received from the Investment Managers, the Trustee provides notice of the establishment and invites subscription for units in the Northern Rivers Development Fund 1 – Class A (“**Class A**”), a unit class for which separate rights, obligations and restrictions apply.

In relation to the offer of units in the Class A, the Trustee provides the following additional information and disclosures of the offer. Please refer to the corresponding section in the IM for further information.

I Investment Strategy

The investment strategy for the Class A remains consistent with the disclosures made in Section 2 of the IM, which is to provide investors with indirect exposure to the property development project, Summerland. For further details regarding the Project, please refer to Section 3 of the IM.

II *Loan Terms & Security*

Similar to the Class I, the Class A will also lend money to the same borrowing entity, Summerland Development Corporation Pty Ltd, a related party of the Investment Manager. The total amount advanced to the Borrower under either Class I or Class A will depend on the amount of capital raised under the respective unit classes but will not exceed the aggregate of \$16 Million.

Under the Facility Agreement, the facility limit provided to the Borrower remains unchanged at \$16 million and is apportioned across the two unit classes, namely \$10 million allocated to the Class I and \$6 million to the Class A. These allocations are indicative in nature only and the Trustee retains the discretion to approve drawdowns beyond these allocations should it deem it to be appropriate.

To secure the loan, the various security arrangements as detailed in Section 2.3 of the IM will be shared and jointly held by the two unit classes (Class I & Class A) of the Fund on a pro-rata basis, calculated in consideration of the loan balance and the allocations drawn under each unit class. A breach of either Facility will constitute a breach of the other Facility.

The term of the loan to the Borrower under the Class A is also expected to be for 24-36 months from the end of the capital raising period.

III *Target Return & Minimum Investment Amount*

The Target Return for Investors wishing to participate in the offer of Class A units is as follows:

Unit Class	Target Return	Minimum Investment Amount
Class A	15% per annum* (*See section IV below for further details)	\$100,000

Please note that the above are Target Returns only and not a forecast or a guaranteed return. This is also subject to the Trustee's discretion to accept lesser initial or additional amounts.

IV *Unit Price, Redemptions, Distributions & Reinvestment*

The Unit Price of the Class A will be similarly calculated in accordance with the disclosures made in Section 4.5 of the IM with an initial Unit Price of \$1.00 per Unit.

Investments in the Fund are illiquid and the Trustee anticipates that the redemption of units of the Class A will only occur in accordance with Section 4.6 of the IM, which is expected to be at the end of the loan term and subject to repayment of the loan by the Borrower.

Investors in the Class A may expect to receive distributions up to the Target Return, calculated on the amount of time the Investor has their capital invested in the Fund on an annual compounding basis. Under this Unit Class, Investors may expect to receive their distribution at the conclusion of the loan term or as the project dictates (likely 24-36 months). This distribution is expected to be paid together with a return of capital on completion of the project.

The Trustee reserves the right to make distributions more frequently in its absolute discretion. Distributions are not guaranteed.

The Trustee permits all or any distributions be applied to the acquisition of further units in the Fund in accordance with the Trust Deed. Please refer to Section 4.8 of the IM for further details on reinvestments.

V *Who can invest?*

The offer of Units in the Class A is generally only available to person who, if they reside in Australia, are a Wholesale client as defined in the Corporations Act. For further information regarding eligibility for participation of this offer, please refer to Section 4.3 of the IM.

The table below sets out the fees and costs (excluding of GST unless otherwise stated) that may be charged to the Investors of the respective Unit Classes, or to the Fund.

Type	Amount	Paid to and when
Fees and costs paid directly by each Investor		
Entry fee	3% of the investment amount.	Payable to the investment manager when Units are issued on a successful investment. Applicable to each investment made into the Class I and Class A.
Fees and costs paid by the Fund		
Trustee fees	An Establishment Fee of \$14,500	One-off fee Paid to the Trustee on commencement of the Fund out of the Fund's assets. It is expected that this fee will be equally shared between the Class I and Class A.
	An Annual Trustee Fee (subject to a minimum annual fee of \$25,000) of: <ul style="list-style-type: none"> 0.10% per annum of the Gross Asset Value (GAV) of the Fund up to \$100m; plus 0.085% per annum of the gross asset value of the Fund on GAV greater than \$100m but less than \$200m; plus 0.075% per annum on GAV greater than \$200m. <p>This fee accrues and is calculated monthly from execution of the Trust Deed.</p> <p>The minimum annual fee shall increase by 2.5% on the 1st of January each year.</p>	Paid to the Trustee monthly in arrears from execution of the Trust Deed. It is expected that this fee will be shared on a pro-rata basis based on a proportional split of the GAV of the Fund as between the Class I and Class A.
Trustee termination fee	\$14,500 plus GST where the Fund is terminated or where Vasco is replaced as trustee of the Fund.	Paid to the Trustee immediately prior to their replacement or Termination of the Fund. It is expected that this fee will be equally shared between the Class I and Class A.
Document execution fee	A document review and execution fee of \$500 per transaction encompassing all documents relevant to that transaction.	Paid to the Trustee as and when incurred. It is expected that this fee will be borne by the respective Unit Class the transaction relates or may be equally shared should it relate to the entire Fund.
Regulatory Levy Recovery	\$1,500 plus \$75 per \$1M of the Gross Asset Value of the Fund (this amount is subject to annual review).	Paid to the Trustee annually on the first of January each year for recovery of any required ASIC industry regulatory levy, capital cost, insurance and complaints body requirements. It is expected that this fee will be equally shared between the Class I and Class A.
Fund Performance fee	The remainder of income earned by the Fund each calendar quarter after the payment of all other fees and costs payable by the Fund and distributions have been paid to investors.	Payable on a quarterly basis to the investment manager.

Performance fee (SPV)	Performance fee of 2% of land revaluation provided by licensed valuation firm.	Payable to the Investment Manager following rezoning and project preliminary development approvals. (This is a one off payment and is made from the Summerland Development Corporation).
Administration fee	<p>The Administration Manager is entitled to be paid an annual Administration Fee of either:</p> <ul style="list-style-type: none"> • \$20,000 per annum if the total assets of the Fund are less than \$20m or there are less than 75 Unitholders of the Fund; • \$25,000 per annum if Fund has between \$20m and \$50m of total assets or there are between 75 and 250 Unitholders of the Fund; • \$30,000 per annum where the Fund has between \$50m and \$100m of total assets or there are between 250 and 500 Unitholders; or • An annual fee to be discussed where assets exceed \$100m or the amount of Unitholders exceed 500. <p>The Administration Manager may also be entitled to the following annual fees (if applicable):</p> <ul style="list-style-type: none"> • \$5,000 per annum for each additional unit class established; and • \$5,000 per annum for each sub-fund established • \$2,950 per annum for the use of online portal facilities; and <p>All fees paid to the Administration Manager are subject to a 5% annual increase on 1 January each year and are subject to GST.</p> <p>Fees may be subject to change with 90 days' notice.</p> <p>The Administration Manager's engagement is for a minimum of four years.</p>	<p>Paid to the Administration Manager monthly in arrears from commencement of the Fund.</p> <p>It is expected that this fee will be shared on a pro-rata basis based on a proportional split of the GAV of the Fund as between the Class I and Class A.</p>
Expenses	<p>The Trustee is entitled to be paid or reimbursed for expenses associated with establishing and the operation of the Fund.</p> <p>See Section 6.3 for more information.</p>	<p>Paid to the Trustee or relevant party appointed by the Trustee as and when incurred</p>

Please note that the above section is not an exhaustive list of the fees & costs that may be applicable to the Fund. For further details, please refer to Section 6 of the IM.

With respect to the expected apportionment of Fund related fees and costs as disclosed in this SIM or the IM, the Trustee retains absolute discretion to adjust the weighting of the apportionment to reflect a true and fair representation of the amount to be borne by the respective Unit Classes.

In accordance with Section 2.4, the Trustee will administer arrears and default management procedures in accordance with the terms of the Loan Agreement applicable to each Unit Class. Where the Borrower fails to make payment for any outstanding amounts, the Trustee will look to enforcing the Loan pursuant to the enforcement procedures in that Loan Agreement. In consideration of the difference timings for which interest is payable under the Loan Agreement for Class I and Class A, there is a risk that the arrears and default management procedures applied by the Trustee to ensure the interests of the Class I unitholders are protected, may be conversely detrimental to the financial position of the Class A unitholders. While the Trustee operates to appropriately balance the interests of the two Unit Classes, there is a risk that the proper enforcement of the terms of the Loan Agreement under Class I may result in the inability of the Fund to pay the partial or full amounts of the capital and distribution back to the investors of the Class A.

In addition to the above, prospective Investors should further consider the risks as detailed in Section 8 of the IM in determining whether the Fund is a suitable investment, having regard to their personal investment objectives, financial position, particular needs and circumstances.

Neither the Trustee nor the Investment Manager guarantee distributions or capital returns. Prospective Investors should seek professional advice in setting their investment objectives and strategies.

Application Form



The Northern Rivers Development Fund 1

Use this application form if you wish to invest in:

The Northern Rivers Development Fund 1

The Supplementary Information Memorandum (SIM) for the Northern Rivers Development Fund 1 (Fund) dated 13 July 2023 and Information Memorandum (IM) dated 10 February 2023, includes information about purchasing Units in the Northern Rivers Development Fund 1. Any person who gives another person access to this Application Form must also give the person access to the SIM, IM and any incorporated information. You should read the SIM, IM and any incorporated information before completing this application form.

The trustee of the Fund is VT No.1 Pty Ltd ACN 640 963 319 (Vasco). Vasco or a financial adviser who has provided an electronic copy of the SIM, IM and any incorporated information, will send you a paper copy of the SIM, IM and any incorporated information and application form free of charge if you so request.

Customer identification

If you are a new investor, you are also required to complete the relevant Customer Identification Form depending on what type of investor you are e.g. individual or super fund. The Customer Identification Forms are available on our website www.vascofm.com or by calling our Investor Services team on +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 this Customer Identification Form, please complete Sections 1 or 2 and 3.

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

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

Contact details

Mail your completed application form and identity verification documents to:

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

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

Checklist

Before sending us your application please ensure you have:

- completed this Application Form in full;
- for new investments, completed the relevant 'Customer Identification Form' available on our website www.vascofm.com;
- if paying via direct debit, completed section 10 ensuring ALL bank account signatories have signed;
- if paying via cheque, ensure cheque is made payable to 'VT No.1 Pty Ltd ATF Northern Rivers Development Fund 1' and attach it to this application form; and
- read the declaration and provided all relevant signatures.

4. Contact details

This is the address where all correspondence will be sent.

Contact person

Unit number Street number

Street name

Suburb

State Postcode

Country

Phone (after hours) Phone (business hours)

Mobile Facsimile

Email

5. Tax information

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

5a. Individual investor or entity

5b. Investor 2 (joint investors)

TFN TFN

Tax exemption Tax exemption

ABN

5c. Non-residents

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

6. Investment allocation and payment options

Please indicate how you will be making your new or additional investment and the amount you wish to invest.

I/we are making my/our investment via:

Direct Credit/EFT → see below.

Bank Cheque → make cheque payable to 'VT No.1 Pty Ltd ATF Northern Rivers Development Fund 1'.

Fund name	Initial investment
The Northern Rivers Development Fund 1 - Class I	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/> <input type="text"/>
The Northern Rivers Development Fund 1 - Class A	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/> <input type="text"/>

Cheque Instructions: Bank Cheques or drafts must be made payable to VT No.1 Pty Ltd ATF Northern Rivers Development Fund 1. 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

Direct Credit / EFT Instructions

Alternatively you can direct credit your application funds to:
 VT No.1 Pty Ltd ATF Northern Rivers Development Fund 1
 ANZ Bank
 BSB 013 006
 Account number 838 507 227
 Please note the applicants name when transferring the funds.
 Please ensure all funds transferred are net of all bank charges.

8. Eligible Investor Qualification (continued)

Declaration by Qualified Accountant

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

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

Option 1

Applicant 1	Applicant 2 (if joint application)	The Applicant is known to me and for the purposes of section 761G (7)(c) of the Corporations Act, the Applicant either personally or in conjunction with a company or trust controlled by the Applicant, has:
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- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | net assets of at least \$2.5 million; or |
| <input type="checkbox"/> | <input type="checkbox"/> | a gross income for each of the last two financial years of at least \$250,000 a year. |

Option 2

Applicant 1	Applicant 2 (if joint application)	The Applicant is a company or trust controlled by a person known to me for the purposes of section 761G (7)(c) Corporations Act, who has:
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- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | net assets of at least \$2.5 million; or |
| <input type="checkbox"/> | <input type="checkbox"/> | a gross income for each of the last two financial years of at least \$250,000 a year. |

Option 3

Applicant 1	Applicant 2 (if joint application)
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- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | For the purposes of section 761G(7)(d) of the Corporations Act, the Applicant controls gross assets of at least \$10 million (including any amount held by an associate or under trust that the Applicant manages). |
|--------------------------|--------------------------|---|

Signature of Qualified Accountant

Date / /

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

Unless requested otherwise, this will also be the bank account we credit any withdrawal proceeds and/or distributions. By providing your nominated account details in this section you authorise Vasco to use these details for all future transaction requests that you make until notice is provided otherwise. For additional investments, a nomination in this section overrides any previous nominations.

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

10. 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:

- all details in this Application Form 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 SIM, IM and all information incorporated into the IM to which this application applies and have read them and agree to the terms contained in them and to be bound by the provisions of the SIM, IM (including the incorporated information) and current Trust Deed of the Fund (each as amended from time to time);
- I/we have legal power to invest in accordance with this application and have complied with all applicable laws in making this application;
- I/we have received and accepted this invitation to subscribe for units in the Fund in Australia 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 IM. I am/We are aware that until I/we inform Vasco otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading and I/we have consented to my/our financial adviser providing such further personal information to Vasco as is required or reasonably deemed necessary by Vasco under applicable law;
- I/we understand that if I/we fail to provide any information requested in this application form or do not agree to any of the possible use or disclosure of my/our information as detailed on the IM, my/our application may not be accepted by Vasco and we agree to release and indemnify Vasco in respect of any loss or liability arising from its inability to accept an application due to inadequate or incorrect details having been provided;
- I/we acknowledge that none of Vasco, or any other member of Vasco or any custodian or investment manager, guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution;
- I/we are bound by the Trust Deed of the Fund and that an application for Units is binding and irrevocable;
- I/we have not relied on statements or representations made by anybody, other than those made in the SIM and IM;
- I/we agree and acknowledge no cooling off period applies and I/we have had the opportunity to seek independent professional advice on subscribing for Units;
- I/we agree and acknowledge Vasco is required to comply with the anti-money laundering laws in force in a number of jurisdictions (including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS)) and I/we must provide Vasco with such additional information or documentation as Vasco may request of me/us, otherwise my/our Application for Units may be refused, Units I/we hold may be compulsorily redeemed, and any disposal request by me/us may be delayed or refused and Vasco will not be liable for any loss arising as a result thereof;
- I/we have provided a tax file number, and if not, I/we consent to Vasco withholding tax at the highest marginal tax rate;
- I/we acknowledge and agree to having read and understood the risks of investing in the fund as described in the SIM and IM and understand that the risks associated with the Fund's investments may result in lower than expected returns or the loss of my/our investment;

I/We also warrant and acknowledge that:

- All information contained in my/our Application is true and correct;
- I/we are not a Politically Exposed Person (PEP) as defined by the AML/CTF legislation;
- I/we are not a United States citizen or resident of the United States for tax purposes, nor am/are I/we subject to the reporting requirements of FATCA;
- I/we are a "wholesale client" for the purposes of section 761G of the Corporations Act and relevant information has been provided to confirm this and by investing in this Fund I/we will not cause any breach of the Corporations Act by or for Vasco;
- if the Applicant is a SMSF, it is compliant and investing in this Fund complies with the Superannuation Industry Supervision Act 1993 (Cth); and
- I/we hold the appropriate authorisations to become an Investor in the Fund and that offer cannot be revoked.

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

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

Investor 1 / Signatory 1

Signature Date / /

Surname

Given name(s)

Capacity Sole Director Director Trustee Other

Investor 2 (joint investors) / Signatory 2

Signature Date / /

Surname

Given name(s)

Capacity Director Company Secretary Trustee Other

Signing Authority

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

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

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

11. Adviser use only

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

Office name

Surname

Given name(s)

Title (Mr/Mrs/Miss/Ms)

Phone (business hours)

Advisor group email

Advisor group name

Advisor group AFSL

Advisor Signature Date / /

ADVISER STAMP

Important notes

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

Signatories

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

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

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

**This is not required in some circumstances.



Northern Rivers Development Fund 1

Information Memorandum

23 February 2023

Trustee

Vt No. 1 Pty Ltd ACN 640 963 319

Investment Manager

Northern Rivers Funds Management Pty Ltd ACN 633 711 751

Administration Manager

Vasco Fund Services Pty Limited ACN 610 512 331

IMPORTANT INFORMATION

This Information Memorandum (IM) is dated 23 February 2023

This IM details the features, benefits, risks and general information about an investment in the Northern Rivers Development Fund 1.

The trustee for the Fund and issuer of this IM is VT No.1 Pty Ltd ACN 640 963 319 with corporate authorised representative number 001300901 of D H Flinders ACN 141 601 596 AFSL 353001.

The Issue of Units in the Fund has been arranged by Vasco Custodians Pty Ltd ACN 644 232 539 AFSL 530682 pursuant to an intermediary authorisation under section 911A(2)(b) of the Corporations Act.

The Trustee has appointed Northern Rivers Funds Management Pty Ltd ACN 663 711 751 (**Investment Manager**) as the investment manager of the Fund.

The Investment Manager is a corporate authorised representative 001300805 of D H Flinders ACN 141 601 596 AFSL 353001.

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

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

Unit Classes

The Trustee of the Fund may issue Units in different Unit Classes which offer Investors different rights, features or benefits. The performance of different Classes may also differ depending on the investments of that Class.

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

Glossary

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

Images

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

Updated information

Information in this IM may change. Updated information regarding this IM will be made available on the Trustee's website or otherwise by issuance of a replacement or supplementary information memorandum published on the Trustee's website at www.vascofm.com.

Questions

Any questions regarding this IM should be directed to the Investment Manager on +610 431 447 790, or at c/- Morgan Conley Solicitors, Level 6, 239 George Street, Brisbane, QLD 4000 or the Trustee on +613 8352 7120 or at info@vascofm.com or at Level 4, 99 William Street, Melbourne, Victoria, 3000, Australia.

ASIC

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

Restrictions on distribution

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

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

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

By receiving and viewing this IM, the recipient is warranting that they are legally entitled to do so and the

securities laws of their relevant jurisdiction do not prohibit them from acquiring interests in the Fund. Further, the person receiving and viewing this IM from the Issuer warrants that, if they reside in Australia, they are a wholesale client as defined in section 761G of the Corporations Act (**Qualifying Investors**).

Investors from Australia

With respect to Australian jurisdiction, this IM has been prepared on the basis that prospective Investors are wholesale clients or sophisticated investors, not retail clients (all within the meaning of the Corporations Act). Accordingly, this IM is not a product disclosure statement and does not contain all of the information that would be included in a product disclosure statement issued under the Corporations Act.

Indemnity

VT No.1 Pty Ltd, as the Trustee of the Fund, is indemnified out of the Fund against all liabilities incurred by it in performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Trustee. Subject to the law, VT No.1 Pty Ltd may retain or pay out from the assets of the Fund any sum necessary to affect such an indemnity.

Investor to undertake own due diligence

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

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

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

None of the Trustee, the Investment Manager, or their related parties, officers, employees, consultants, advisers or agents have carried out an independent audit or independently verified any of the information contained in this IM. The Trustee has not sought to verify any statements contained in this IM about the investments proposed by the Investment Manager, the Investment Manager's business or the business of any other parties named in this IM.

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

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

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

Important Warning Statements

No performance guarantee

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

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

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

An investment in the Fund is subject to investment risks which are described in Section 8 of this IM, including possible delays in repayment and loss of some or all of

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

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

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

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

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

Investors should refer to Section 4.6 under the heading "Redemptions" for details of the withdrawal rights.

No representation other than this IM

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

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

Forward looking statements

Certain information contained in this IM constitutes "forward-looking statements" that can be identified by the use of forward-looking terminology such as "may,"

"will," "should," "expect," "anticipate," "estimate," "target", "intend," "continue," or "believe" or the negatives thereof or other variations thereon or comparable terminology.

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

Due to various risks and uncertainties, including those set forth under "Risks" in Section 8, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

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

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

Confidentiality

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

Summary of key documents only

This IM contains a summary of the terms of the Fund and certain other documents. However, prospective Investors should refer to the complete legal documentation for the Fund (available upon request

from the Trustee). Investments in the Fund are governed by the Trust Deed for the Fund and associated documents and nothing in this IM limits or qualifies the powers and discretions conferred upon the Trustee and the Investment Manager under those documents. This IM should be read in conjunction with the Trust Deed and associated documents for the Fund. In the event of any inconsistency between the Trust Deed and associated documents and this IM, then the Trust Deed and associated documents will prevail to the extent of the inconsistency.

Independent financial advice

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

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Letter from the Investment Manager

Dear Investor

On behalf of the investment management team at Northern Rivers Funds Management Pty Ltd (**'Investment Manager'** or **'NRFM'**) it is our pleasure to present to you an opportunity to invest in Northern Rivers Development Fund 1 (**Fund**).

The Directors behind the Northern River Development Fund have in excess of 30 years of property development, management, marketing and delivery experience, with over a decade of direct experience in the Northern Rivers region of NSW. Through their private interests, the Directors also have a number of land development projects in the region, at various stages of completion. The Funds intention is to build on this experience, with larger projects providing the opportunity to deploy greater investment.

The Northern Rivers region of NSW is forecast to be the fastest growing in NSW over the next 20 years (Regional Development Australia). There continues to be a significant gap between the supply of residential housing and the demand for affordable supply. The opportunity at hand is situated in the township of Casino, a 30-minute drive from Lismore. The town of Lismore was inundated with the floods and weather events of 2022, putting further pressure on the housing crisis and highlighting the need for affordable housing in the area. Further, Casino is a town identified as an employment and logistical hub for the coming decades, with a domestic airport and rail line.

The Fund has an independent trustee, VT No.1 Pty Ltd (**Vasco**). Vasco is part of an investment management group that provides responsible entity, trustee and fund administration services to Australian and international investment managers. The Vasco team have significant experience in the Asia Pacific region in the management of equity funds, fixed income funds, REITs, private equity real estate funds, real estate securities funds, and mortgage and real estate debt funds. Some of the funds Vasco's executives have developed include the \$3 billion Australian Unity Healthcare Property Trust and the \$2.5 billion AIMS Industrial REIT listed on the Singapore Stock Exchange (SGX).

The terms and condition that apply to all Investors in Fund are outlined in this Information Memorandum (**IM**). I invite you to read through this IM thoroughly (especially Section 8 entitled "Risks") to allow you to make an informed decision before investing in the Fund.

Yours sincerely

Cade Wenngren and Nathan Collins

Directors

Northern Rivers Funds Management Pty Ltd

1. Key Features

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

Feature	Description	Further Details
Investment Manager	Northern Rivers Funds Management Pty Ltd	5.1
Trustee	VT No.1 Pty Ltd	5.2
Administration Manager	Vasco Fund Services Pty Limited	5.2
Borrower	Summerland Development Corporation Pty Ltd	-
Investment structure	The Fund is an open-ended unlisted unregistered managed investment scheme structured as a unit trust. The Fund provides Investors with an opportunity to acquire Units in the Fund which entitle them to returns (primarily interest income) generated by the Fund.	4.1
Investment Strategy	<p>The Fund provides Investors with indirect exposure to development projects for the Master planned community in Casino, Northern Rivers NSW.</p> <p>The Fund will lend money to the dedicated entity developing the Projects called Summerland Development Corporation Pty Ltd ("Borrower" or "SDC"). The Loan to the Borrower will be secured by a General Security Deed over all of the assets of the Borrower and a Specific Security Deed over the shares of the land-owning entities, Summerland Estate Pty Ltd and Summerland Residential Pty Ltd ("Land-Holding Entities"), which are related wholly owned subsidiaries of the Borrower.</p> <p>A General Security Deed, second ranking mortgage and guarantees from the Land-Holding Entities and its directors will also be provided by the Land-Holding Entities to secure the loaned amount advanced by the Fund.</p> <p>The Borrower will pay to the Fund a portion of the interest payable on the loan on a calendar quarterly basis to fund distributions to investors, with the remainder of the interest paid at maturity of the loan.</p>	2, 3

Feature	Description	Further Details				
Investment Options/Unit Classes	<p>The Trustee may issue different Investment Options/Unit Classes. The different Investment Options may have different investment strategies, rights and obligations including the amount of any distribution.</p> <p>As at the date of this IM, Investors will be offered an opportunity to invest in one investment option, with a Target Return (pre-tax and net of Fees and Costs), and Minimum Investment Amount as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #1a3d4d; color: white;">Target Return</th> <th style="background-color: #1a3d4d; color: white;">Minimum Investment Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10% per annum</td> <td style="text-align: center;">\$100,000</td> </tr> </tbody> </table> <p>Please note, these are Target Returns only and not a forecast or a guaranteed return. These are subject to the Trustee’s discretion to accept lesser initial or additional amounts.</p> <p>For further details refer to Section 4.2.</p>	Target Return	Minimum Investment Amount	10% per annum	\$100,000	4.2
Target Return	Minimum Investment Amount					
10% per annum	\$100,000					
Loan Terms & Security	<p>To secure the Loan, the Trustee will enter into the following:</p> <ul style="list-style-type: none"> - a general security deed with the Borrower, which provides a security interest over all of the Borrower's assets and property. - a specific security deed over the shares owned in each of the Land-Holding Entities. - a general security deed with each of the Land-Holding Entities, which provides a security interest over all of the Land-Holding Entities’ assets and property. - a second ranking mortgage over the properties situated at 11175 Summerland Way, Casino, New South Wales and 40 Bruton Lane, Casino, New South Wales. - a guarantee and indemnity from the Land-Holding Entities and its directors. 	2.3				
Target Fund Size	<p>While there is no maximum or minimum fund size, the Investment Manager is aiming to raise approximately \$16m under this Offer. The Trustee retains the discretion to stop accepting new or additional investment applications from Investors at any time.</p>					
Issue of Units	<p>Units will ordinarily be issued within 10 Business Days of the end of the month in which a completed Application Form, supporting documents and investment monies are received.</p>	4.4				

Feature	Description	Further Details
Distributions	<p>Distributions of up to 10% per annum are expected to be made to Unitholders.</p> <p>All distributions are expected to be made on a quarterly basis.</p> <p>The Trustee reserves the right to make distributions more or less frequently in its absolute discretion. Distributions are not guaranteed.</p> <p>Distributions will be calculated based on the number of Units on issue at the time a distribution is calculated and all distributions from the Fund will be net of the Fund's expenses. The Trustee or Investment Manager may retain from amounts available for distribution such amounts as it considers necessary for reserves, management fees, taxes, and expenses of the Fund, which may result in no distributions being made despite surplus cash existing. Pending distribution to Investors, the Fund may invest in cash and cash equivalents (i.e., acceptable bank deposits) or such other similar creditworthy and liquid investments as determined by the Fund.</p> <p>Investors may elect to automatically reinvest distributions.</p>	4.7
Redemptions	<p>Investments in the Fund are illiquid and the Trustee anticipates that redemptions will occur upon repayment of the Loan by the Borrower.</p> <p>Where there are insufficient funds to satisfy all Withdrawal Requests pursuant to any withdrawal offer, they will be satisfied on a pro-rata basis and carried over to subsequent withdrawal offers.</p> <p>Where there is remaining liquidity after a withdrawal offer has been made and all Withdrawal Requests of Investors that have met their Minimum Term have been satisfied, the Trustee may allow investors who have not met their Minimum Term to participate in a subsequent withdrawal offer, in its absolute discretion.</p>	4.6
Who can invest?	<p>The Offer is generally only available to persons who, if they reside in Australia, are a Wholesale Client as defined in the Corporations Act.</p>	4.2
Entry and Exit Fees	<p>An entry fee of 3.3% is payable on all invested amounts to the Investment Manager.</p>	6
Trustee fees and costs	<p>The fees and costs payable by the Fund in relation to the management of the Fund include:</p> <ul style="list-style-type: none"> - Establishment Fee of \$14,500 paid to the Trustee on commencement of the Fund. - An annual Trustee Fee (subject to a minimum annual fee of \$25,000) of: <ul style="list-style-type: none"> o 0.10% per annum of the Gross Asset Value (GAV) of the Fund up to \$100m; plus o 0.085% per annum of the gross asset value of the Fund on GAV greater than \$100m but less than \$200m; plus o 0.075% per annum on GAV greater than \$200m - Document Review Fee of \$250 per transaction encompassing all documents relevant to that transaction - Regulatory Levy Recovery: \$1,500 plus \$75 per \$1M of gross asset value payable annually. - Termination Fee of \$14,500 where the Fund is terminated or Vasco is replaced as trustee of the Fund <p>The Trustee's engagement shall be for a minimum period of four years.</p>	6

Northern Rivers Development Fund 1

Feature	Description	Further Details
Investment Manager fees and costs	The Investment Manager of the Fund is entitled to a performance fee of 2% of land revaluation provided by a licensed valuation firm following rezoning and project preliminary development approvals.	6
Administration fees and costs	<p>The Administration Manager is entitled to be paid an annual Administration Fee of:</p> <ul style="list-style-type: none"> o \$20,000 per annum if the total assets of the Fund are less than \$20m or there are less than 75 Unitholders of the Fund; o \$25,000 per annum if Fund has between \$20m and \$50m of total assets or there are between 75 and 250 Unitholders of the Fund; o \$30,000 per annum where the Fund has between \$50m and \$100m of total assets or there are between 250 and 500 Unitholders; or o An annual fee to be discussed where assets exceed \$100m or the amount of Unitholders exceed 500. <p>The Administration Manager may also be entitled to the following annual fees (if applicable):</p> <ul style="list-style-type: none"> o \$5,000 per annum for each additional unit class established; and o \$5,000 per annum for each sub-fund established o \$2,950 per annum for the use of online portal facilities; and <p>All fees paid to the Administration Manager are subject to a 5% annual increase on 1 January each year and are subject to GST. Fees may be subject to change with 90 days' notice. The Administration Manager's engagement is for a minimum of four years.</p>	6
Expenses	The Trustee, Investment Manager and Administration Manager are entitled to be paid or reimbursed for all expenses properly incurred in connection with performing their duties and obligations in the day-to-day operation of the Fund. Such expenses include, but are not limited to, any additional costs associated with the administration or distribution of income, asset management, the management of defaults and arrears, travel costs, legal fees, professional indemnity insurance costs and other out of pocket expenses directly related to the investigation of investment opportunities (whether or not consummated), the acquisition, ownership, financing, letting, hedging, or sale of its investments, taxes, market research or other consultant fees associated with proposed or consummated investments, fees to accountants and auditors and counsel, insurance and litigation expenses, and expenses associated with the preparation and distribution of reports to Investors.	6.3
Borrowings	The Fund will not have any borrowings.	-

Feature	Description	Further Details
Risks	<p>It is very important that you read and consider the risk section in this IM (Section 8) in detail before deciding whether to invest. Neither the Trustee or Investment Manager guarantee distributions or capital returns.</p> <ul style="list-style-type: none"> • Default and credit risk – the ability of the Fund to recover the Loan may be impacted by and subject to the rights of a senior secured lender • Investment risk – distributions may or may not be paid and capital may or may not be returned • Construction and development risk – construction costs may exceed budgeted costs and a change in market conditions could result in the Project’s value on completion being less than anticipated. 	8

2. Investment Strategy

2.1 Overview

The Fund provides Investors with indirect exposure to the following property development projects (**Projects**):

Summerland Estate (**Summerland**) – The project encompasses 181Ha on Summerland Way, between the towns of Kyogle and Casino. The site makes up a substantial amount of the flood free land within the Council residential strategic footprint.

Summerland estate is comprised of two parcels of land:

- 11175 Summerland Way – Total 95.67Ha (held by Summerland Estate Pty Ltd)
- 40 Burton Lane – Total 85.64Ha (held by Summerland Residential Pty Ltd)



2.2

The Fund will lend money to the entity dedicated to developing the Project, Summerland Development Corporation Pty Ltd (“**Borrower**” or “**SDC**”). The Borrower is a related party of the Investment Manager.

Details about the Projects are set out further outlined below in Section 3.

2.3 Loan Terms & Security

- To secure the Loan, the Trustee will enter into the following:
- a general security deed with the Borrower, which provides a security interest over all of the Borrower's assets and property.
- a specific security deed over the shares owned in each of the Land-Holding Entities.
- a general security deed with each of the Land-Holding Entities, which provides a security interest over all of the Land-Holding Entities' assets and property.
- a second ranking mortgage over the properties situated at 11175 Summerland Way, Casino, New South Wales and 40 Bruton Lane, Casino, New South Wales.

a guarantee and indemnity from the Land-Holding Entities and its directors. The total amount advanced to the Borrower under the Loan will depend upon the amount of capital raised by the Fund. The Fund's ability to recover its debt from the Borrower will be dependent on the Borrower's ability to recover its debt from the Landowner, which will rank behind an external senior financier.

The Loans to the Borrower are expected to be for 24-36 months from the end of the capital raising period.

Subject to the ongoing funding requirements of the Project, prior to the end of the expected completion date, Investors may be given the opportunity to withdraw from the Fund or to remain in the Fund for another stage of the development project.

Subject to Investors having agreed to remain in the Fund, the Loan to the Borrower may be extended, varied or replaced by a new loan agreement.

Even though the Loan Agreement will require that the Loan be used by the Borrower to facilitate the finance of the development of the Project, the Trustee cannot guarantee that the Borrower will comply in whole or in part with this purpose. Investors should therefore be aware that the Fund's only direct investment is the Loan made to the Borrower and the Trustee cannot control how the Loan monies lent the Borrower will ultimately be used. There is no LVR limit in place for the Loan Agreement.

The Loan and other security documents are reviewed by the Fund's legal advisor who is chosen from an experienced panel of legal firms experienced in finance, verification and validation requirements.

2.4 Arrears and default management

Investors' capital and returns may be affected if the Borrower defaults on the Loan made to it by the Fund. As the Loan will be made to a related party of the Investment Manager, the Trustee will administer arrears and default management procedures in the event of late payment or default in accordance with the relevant loan documents prepared by the Fund's legal advisor.

Where a Borrower fails to make a payment by the repayment dates under a Loan Agreement, the Trustee will look to enforce the Loan according to the enforcement procedures specified in that Loan Agreement.

The enforcement procedure can involve significant costs, including legal costs and receiver's fees. These costs may be funded as follows:

- Paid by the Fund

- Paid by the Investment Manager from its own funds in which case, the Investment Manager will be able to recover these costs from the proceeds received from the Borrower in priority to any payment to Investors
- Paid by a third party in which case, any expenses paid plus any amount agreed with the lender (for example interest or success fees) would be recovered from the proceeds received from the Borrower in priority to any payment to Investors

2.5 Borrowings

The Fund is not expected to have any borrowings.

2.6 Valuation Policy

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

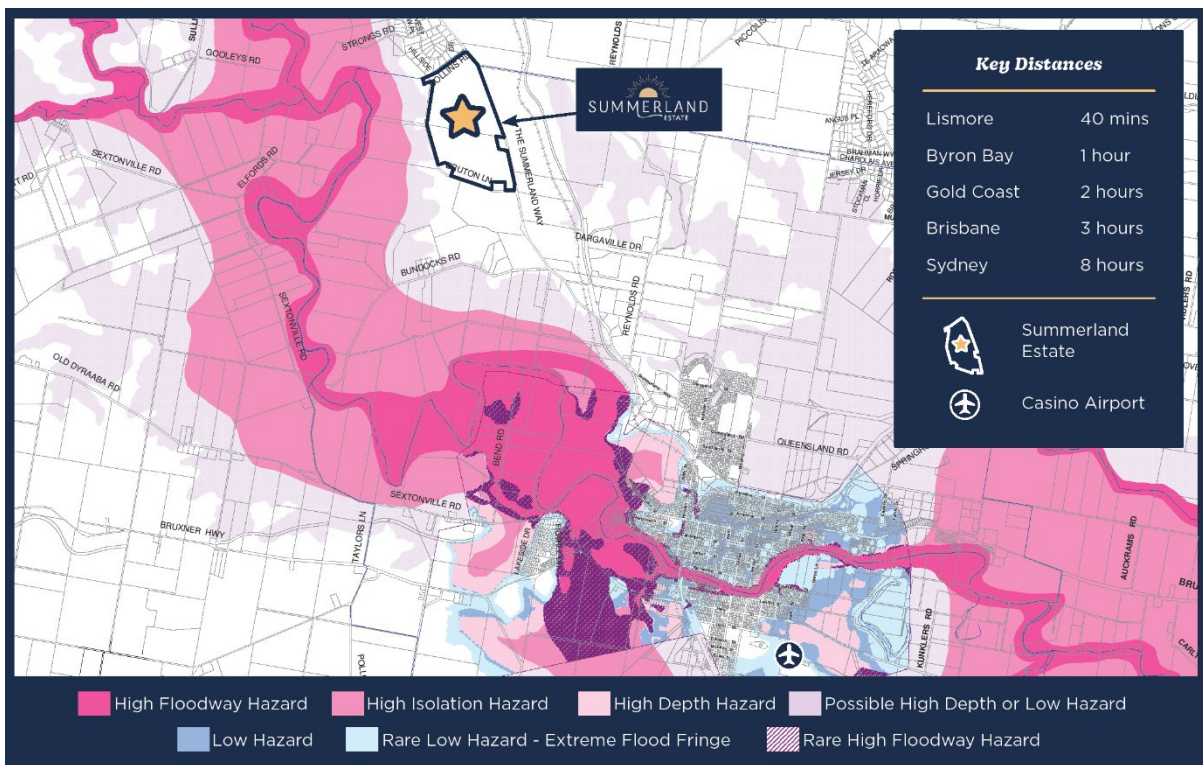
3. About the Project

The Investment Manager has provided the following details about the Projects, which have not been independently verified by the Trustee. Investors are advised to undertake their own due diligence. Dates and figures are estimates only and are subject to change. More information on the project can be found in the Richmond Valley Draft Growth Management Strategy.¹

3.1 Summerland Estate

3.1.1 Project Summary

- The project encompasses 181Ha on Summerland Way, between the towns of Kyogle and Casino. The site makes up a substantial amount of the flood free land within the council residential strategic footprint.



- The site is clear of vegetation and free of many other development constraints. The development projects create approximately 1600 - 2000 residential lots, a number of rural residential lots and a commercial precinct.
- A draft masterplan concept has been prepared for submission which was the support of the Casino Council after a number of meetings held over the last 12 months. We have commissioned site specific due diligence including a geotechnical investigation to determine the viability of the site, which has returned positive results.

¹ This report is obtainable from the Richmond Valley Council Website: www.richmonvalley.nsw.gov.au

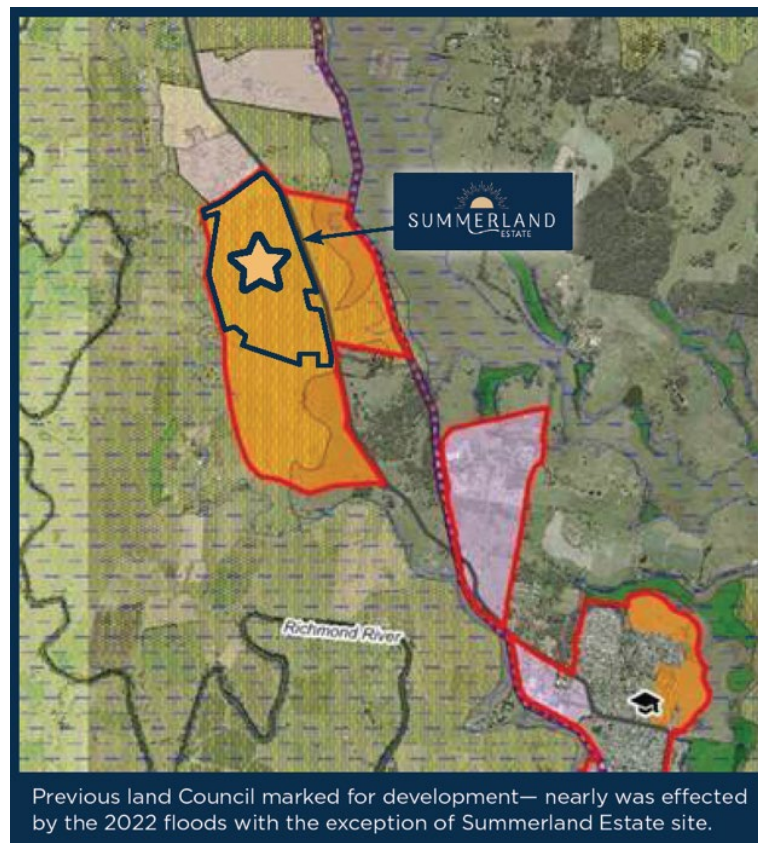


- The council is in support of the plan to create the first precinct of 200-300 residential lots, with the balance to be brought to market in the future.



3.1.2 Project Location

- 11175 Summerland Way & 40 Bruton Lane, Casino NSW 2470.
- It has been proposed to council to rezone the strip fronting Colins Road (north side of the site) to R5 Large lot subdivision.
- The map below was marked as 'Future Urban Growth Areas' in the Richmond Valley Council "Local Strategic Planning Statement: Beyond 20-20 Vision". The land makes up a substantial portion of the identified land that the council views to be development. Council has proposed an expedited process for rezoning and development approval as they require land supply to meet New South Wales' population projects.



3.1.3 Proposed Development Timing

- Lodge scoping report: November 2022 (lodged)
- Lodge rezoning application for both residential and rural residential: Q2 2023
- Lodge for development application for rural residential – stage 1: Q2 2023
- Lodge for development application for initial precinct (anticipated to be 200-300 residential lots) – stages 2-7: Q2 2023
- Anticipate rezoning and preliminary development approval: 18-24 months
- Anticipate development approval – stages 1-7: 18-24 months

3.1.4 Project Revenue

The gross revenue for the project is expected to be in the order of AUD \$450,000,000 (Four Hundred and Fifty Million)

3.1.5 Project Cost

Below table sets out the project cost based on the developer's current best estimates for acquisition, holding and all costs through to development approval.

Land and acquisition cost	\$7,900,000
Professional Fees	\$2,200,000
Statutory Fee	\$300,000
Sales Marketing	\$200,000
Land Holding	\$2,000,000
Finance Cost	\$150,000
Contingency	\$400,000
Total	\$13,150,000

3.1.6 Development Team

The Project will be using a development team consisting of highly experienced and well-regarded project consultants, necessary to ensure that the Project is delivered efficiently and effectively as planned.

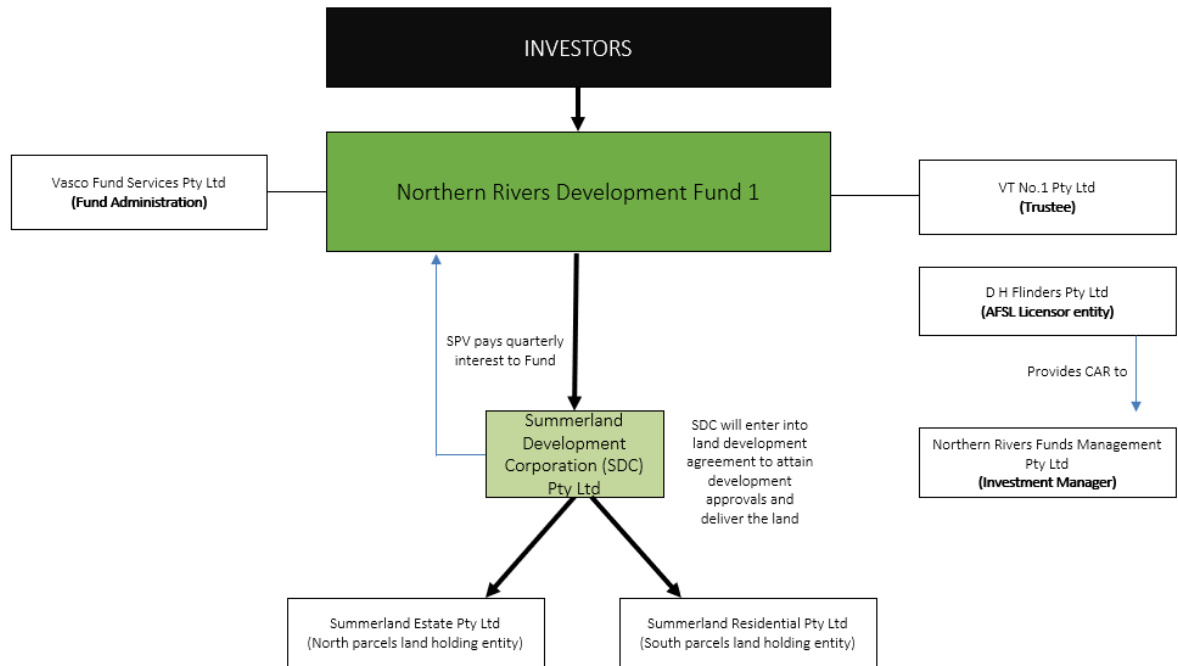
- Cade Wenngren
- Nathan Collins
- Craig Burbury
- Yelland Consulting – Lindsay Yelland

4. About the Project

4.1 Investment Structure

The Fund has been established to lend money to Summerland Development Corporation Pty Ltd (**Borrower**) and is targeting a return of 10% per annum to Investors.

The following diagram illustrates the structure of the Fund and relevant parties involved:



Legally, the Fund is an unlisted, unregistered managed investment scheme structured as a unit trust and established by a Trust Deed which regulates the relationship between the Trustee and Investors. The monies contributed by Investors as Application Money will be pooled and invested in accordance with the investment strategy detailed in Section 2 above.

As at the date of this IM, there is no requirement or intention to register the Fund with ASIC or to list the Fund on a secondary market such as the ASX.

VT No.1 Pty Ltd

The Trustee has appointed Northern Rivers Funds Management Pty Ltd as the Fund's investment manager, having responsibility for, among other things, marketing the Fund and managing the Fund's investments.

The Trustee has also appointed Vasco Fund Services Pty Limited as the Fund's administration manager, having responsibility for, among other things, processing applications and fund accounting.

4.2 Investment Options

Investors will be offered an opportunity to invest in an investment option, with a Target Return (pre-tax and net of Fees and Costs) and Minimum Investment Amount as follows:

Target Return	Minimum Investment Amount
10% per annum	\$ 100,000

Please note, these are Target Returns only and not a forecast or a guaranteed return. The is subject to the Trustee's discretion to accept lesser initial or additional amounts.

4.3 Who can invest?

This Offer is generally only available to Wholesale Clients within the meaning of the Corporations Act. A Wholesale Client means an Investor who:

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

The Trustee has the discretion to accept applications from people who are not Qualifying Investors, provided these people are otherwise permitted by law to participate in the Offer.

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

4.4 Issue of Units

The Trustee is expecting to issue Units within 10 Business Days of the end of each month in which a completed Application and the investment amount are received.

Units in in the Fund will be issued on a monthly basis up to the Offer Close Date. The Trustee retains its discretion to issue further Units at any point after the Offer Close Date.

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

4.5 Unit Price

The Unit Price is based on the underlying value of the Fund's assets and is calculated in accordance with the terms of the Trust Deed. Unless there is an impairment on the Loan made by the Fund, the Unit Price is expected to remain at \$1.00 per Unit.

This price of a Unit calculated at the time of withdrawal may be different from the price originally paid for the Unit as the Fund's assets are re-valued.

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

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.

4.6 Redemptions

The Trustee anticipates that redemption will occur only in the following circumstances:

- at the end of the loan term; and
- subject to repayment of the Loan by the Borrower.

An Investment in the Fund should be considered an illiquid investment and investors will not otherwise have any opportunity to withdraw their Investment.

Investments in the Fund are illiquid for the duration of each investment Term, and the Trustee anticipates that redemptions will only occur upon repayment of the Loan by the Borrower.

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

4.7 Distributions

Distributions in line with the Target Return are calculated on the amount of time Investors have their capital invested in the Fund.

Distributions of up to 10% per annum are expected to be made to investors in the Fund.

All distributions are expected to be made on a quarterly basis.

Distributions are expected to be paid to Investors nominated bank accounts within 1 month following the end of each calendar quarter.

The Trustee reserves the right to make distributions more frequently in its absolute discretion. Distributions are not guaranteed.

The Trustee or Investment Manager may retain from amounts available for distribution such amounts as it considers necessary for reserves, management fees, taxes, and expenses of the Fund, which may result in no distributions being made despite surplus cash existing. Pending distribution to Investors, the Fund may invest in cash and cash equivalents (i.e., acceptable bank deposits) or such other similar creditworthy and liquid investments as determined by the Fund.

The Trustee may also decide not to distribute amounts which it reasonably considers necessary to meet any outgoing or liabilities (actual or contingent) in respect of the Fund including any amounts required for tax withholdings. Taxes paid or withheld that are allocable to one or more Investors will be deemed to have been distributed to such Investors for the purposes of determining the above calculations. Distributions will be calculated based on the number of Units on issue at the time a distribution is calculated and all distributions from the Fund will be net of the Fund's expenses.

4.8 Reinvestment

The Trustee permits all or any distributions be applied to the acquisition of further units in the Fund in accordance with the Trust Deed. In such cases, the Trustee will offset the amount of the distribution payable to an Investor with the amount owing for the issue of new Units in the Fund, calculated on the first Business day after the Distribution is paid at an Issue Price determined in accordance with the Trust Deed.

Investors may elect to automatically reinvest distributions.

5. Management of the Fund

5.1 The Investment Manager

Northern Rivers Funds Management Pty Ltd (**Investment Manager**) is the Fund's investment manager, responsible for marketing the Fund and managing the Fund's investments.

The Investment Manager has been appointed as a corporate authorised representative of D H Flinders Pty Ltd for the sole purpose of acting as an investment manager of the Fund and is restricted to providing general financial advice in relation to the Fund. Additionally, the Investment Manager and its employees and officers are subject to the policies of D H Flinders Pty Ltd

As described by the Investment Manager, their key management team includes:

- **CADE WENNGREN**
Director

Cade's multi-disciplinary experience spans 20+ years in the real estate industry. Having been personally involved in land, construction development and project marketing for in excess of 1,000 properties. Cade's career began with a national real estate franchise, managing a marketing and sales team before moving into the world of property development in 2000's, with a focus on small and medium sized land subdivisions in both QLD and NSW. Cade has successfully completed dozens of projects, resulting in hundreds of completed properties.

- **Nathan Collins**
Director

With a degree in Finance and Property Economics from Queensland University of Technology, Nathan began his career with a national property valuation firm. Nathan worked on a number of significant projects building cashflow models for the purposed of developer financing including the landmark high-rise Q1, built by the Sunland group on the Gold Coast. From here Nathan moved into the development world, with the amalgamation of a site in Broadbeach, which is now home to a 30 storey, residential high-rise building. Nathan believes the Summerland project in Casino provides an opportunity to create a community in an area of great need for affordable housing, one which represents a significant opportunity for the coming decades.

5.2 The Trustee and Administration Manager

VT No.1 Pty Ltd (**Trustee**) and Vasco Fund Services Pty Limited (**Administration Manager**) are part of a leading fund services group (**Vasco**) that provides responsible entity, trustee and fund administration to Australian and international investment managers.

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

Some of the funds Vasco's executives have developed include the \$3 billion Australian Unity Healthcare Property Trust and the \$2.5 billion AIMS Industrial REIT listed on the Singapore Securities Exchange.

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

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As Trustee, VT No.1 Pty Ltd will manage the Fund in accordance with the Trust Deed and its duties and obligations under Australian law and, importantly, will have regard to the best interests of Investors in decisions it makes with respect to the Fund.

6. Fees and Costs

6.1 Investor and fund fees and costs

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

Type	Amount	Paid to and when
Fees and costs paid directly by each Investors		
Entry and Exit fee	Entry fee of 3%	Payable to the investment manager when Units are issued on a successful investment.
Fees and costs paid by the Fund		
Trustee fees	An Establishment Fee of \$14,500	One-off fee Paid to the Trustee on commencement of the Fund out of the Fund's assets.
	<p>An Annual Trustee Fee (subject to a minimum annual fee of \$25,000) of:</p> <ul style="list-style-type: none"> 0.10% per annum of the Gross Asset Value (GAV) of the Fund up to \$100m; plus 0.085% per annum of the gross asset value of the Fund on GAV greater than \$100m but less than \$200m; plus 0.075% per annum on GAV greater than \$200m. <p>This fee accrues and is calculated monthly from execution of the Trust Deed.</p>	Paid to the Trustee monthly in arrears from execution of the Trust Deed.
Trustee termination fee	\$14,500 plus GST where the Fund is terminated or where Vasco is replaced as trustee of the Fund.	Paid to the Trustee immediately prior to their replacement or Termination of the Fund.
Document execution fee	A document review and execution fee of \$500 per transaction encompassing all documents relevant to that transaction.	Paid to the Trustee as and when incurred.
Regulatory Levy Recovery	\$1,500 plus \$75 per \$1M of the Gross Asset Value of the Fund (this amount is subject to annual review).	Paid to the Trustee annually on the first of January each year for recovery of any required ASIC industry regulatory levy, capital cost, insurance and complaints body requirements.
Fund Performance fee	The remainder of income earned by the Fund each calendar quarter after the payment of all other fees and costs payable by the Fund and distributions have been paid to investors.	Payable on a quarterly basis to the investment manager.

Type	Amount	Paid to and when
Performance fee (SPV)	Performance fee of 2% of land revaluation provided by licensed valuation firm.	Payable to the Investment Manager following rezoning and project preliminary development approvals. (This is a one off payment and is made from the Summerland Development Corporation).
Administration fee	<p>The Administration Manager is entitled to be paid an annual Administration Fee of either:</p> <ul style="list-style-type: none"> • \$20,000 per annum if the total assets of the Fund are less than \$20m or there are less than 75 Unitholders of the Fund; • \$25,000 per annum if Fund has between \$20m and \$50m of total assets or there are between 75 and 250 Unitholders of the Fund; • \$30,000 per annum where the Fund has between \$50m and \$100m of total assets or there are between 250 and 500 Unitholders; or • An annual fee to be discussed where assets exceed \$100m or the amount of Unitholders exceed 500. <p>The Administration Manager may also be entitled to the following annual fees (if applicable):</p> <ul style="list-style-type: none"> • \$5,000 per annum for each additional unit class established; and • \$5,000 per annum for each sub-fund established • \$2,950 per annum for the use of online portal facilities; and 	Paid to the Administration Manager monthly in arrears from commencement of the Fund
Expenses	<p>The Trustee is entitled to be paid or reimbursed for expenses associated with establishing and the operation of the Fund.</p> <p>See Section 6.3 for more information.</p>	Paid to the Trustee or relevant party appointed by the Trustee as and when incurred

6.2 Payment of fund fees and costs

The Investment Manager has agreed to pay the fees and expenses payable by the Fund until such time as, in the opinion of the Trustee, they are able to be paid from the assets of the Fund and may at the discretion of the Trustee be reimbursed from the Fund's assets for these payments.

6.3 Expenses

The Trustee, Investment Manager and Administration Manager are entitled to be paid or reimbursed for all expenses properly incurred in connection with performing their duties and obligations in the day-to-day operation of the Fund. Such expenses include, but are not limited to, any additional costs associated with the administration or distribution of income, asset management, the management of defaults and

arrears, travel costs, legal fees and other out of pocket expenses directly related to the investigation of investment opportunities (whether or not consummated), the acquisition, ownership, financing, letting, hedging, or sale of its investments, taxes, market research or other consultant fees associated with proposed or consummated investments, fees to accountants and auditors and counsel, insurance and litigation expenses, and expenses associated with the preparation and distribution of reports to Investors.

The Trust Deed for the Fund sets out the right of the Trustee to be paid or reimbursed for expenses of the Fund reasonably and properly incurred by the Trustee in the proper performance of its duties, and include a non-exhaustive list of the types of the expenses to which the Trustee is entitled to be paid or reimbursed.

6.4 Indirect fees

In order to facilitate the settlement of the development properties or as otherwise identified by the Investment Managers, equity provided by the directors of the Land-Holding Entities or Investment Managers may be used to partially satisfy the purchase of the assets. In the event this occurs, the individual or party providing the equity has a right to seek repayment of the equity amount advanced from the underlying Land-Holding Entities which will represent an indirect fee or cost to the Fund.

While any director equity owed remains outstanding, the individual or party providing the equity has an additional right to be accrue and be paid a 10% p.a. simple interest on the advanced amount.

6.5 Change to fees and other costs

The Trustee may change the above fees and expenses charged to Investors by giving at least 90 days written notice to Investors, subject to any fee limits in the Trust Deed. The Trustee may agree with any Investor any fee arrangements with that Investor which are different to the fees set out above.

6.6 Goods and services tax

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

6.7 Waiver, deferral or rebate of fees

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

7. Taxation Information

The information in this section provides a general summary for Australian resident and non-resident investors (*the Investors*) who subscribe for units pursuant to the Information Memorandum and hold the units on capital account for Australian income tax purposes. It does not attempt to address all of the Australian tax consequences that may be relevant to the Investors.

The opinion is general in nature because the tax implications for each Investor may vary depending on their particular circumstances. Accordingly, it is recommended that each Investor seeks their own professional advice regarding the taxation implications before making any investment or other decision in relation to the units in the Fund. This taxation opinion is not, and is not intended to be, taxation advice to any particular Investor.

7.1 Tax Treatment of the Fund

As the Fund is a unit trust, it will be treated as a “flow through” entity for Australian income tax purposes. That is, the taxable income of the Fund will be subject to Australian tax in the hands of Investors, not the Fund on the basis that:

- The Investors are made “presently entitled” to all of the income of the Fund at the end of each income year; and
- The activities of the Fund are limited to “eligible investment businesses” such that the Fund should not constitute a public trading trust.

As the Fund will invest in a loan instrument, the expectation is that the taxable income from the Fund will primarily be in the form of interest income which will ultimately flow through to Investors.

7.2 Annual Reporting

As the Fund is likely to constitute an Investment Body, the Fund will be required to provide certain distribution information (including tax components) to the ATO on an annual basis by lodging the Annual Investment Income Report (*AIRR*).

The Trust will also provide an annual tax distribution statement to Investors in accordance with the ATO’s guidelines for Managed Funds. The tax distribution statement will reconcile the cash distribution provided to the Investor with the taxable distribution for that income year. It will agree to the amounts reported to the ATO under the AIRR.

7.3 Attribution Managed Investment Trust (AMIT) regime

The Government has enacted a tax regime for certain managed investment trusts known as the Attribution Managed Investment Trust (*AMIT*) Rules. The AMIT Rules remove a number of uncertainties for Trustees and Investors and facilitates fair and reasonable tax outcomes for Investors.

The AMIT Rules do not apply automatically to all MITs. The Trustee will make an assessment of whether the Fund qualifies as an AMIT and whether it will make an election to apply the AMIT Rules to the Fund. If the Fund meets the eligibility requirements, the Trustee is expected to make an election to apply the AMIT rules. We would not expect the AMIT regime to materially change the tax treatment of Investors outlined above.

7.4 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 Investors. 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

7.5 Change of Tax residency

We recommend that each Investor seeks professional advice on their residency status if there may be a change in their tax residency through the course of their investments and the associated tax implications relevant for their circumstances.

7.6 Tax File Number and Australian Business Number

It is not compulsory for an Investor to quote a Tax File Number (TFN), claim a valid exemption for providing a TFN, or (in certain circumstances) provide an Australian Business Number (ABN). However, if an Investor does not provide a TFN, exemption or ABN, tax will be required to be deducted from the Investor's distributions at the highest marginal tax rate plus Medicare levy (currently 47%).

7.7 Stamp Duty on the transfer of Units

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

7.8 Foreign Account Tax Compliance Act (FATCA)

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

7.9 Common Reporting Standards (CRS)

CRS is the standard set by the Organisation for Economic Co-operation and Development (OECD) for the automatic exchange of information with revenue authorities for tax foreign residents that invest in certain financial accounts. The standard covers both the identification of tax foreign residents and reporting on the applicable financial accounts.

The Fund is a 'Reporting Financial Institution' under CRS and intends to comply with its CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain investors to the ATO or other foreign tax authorities as required. To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant foreign taxpayer identification number (if applicable).

8. Risks

All investments involve varying degrees of risk.

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

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, Investors may suffer losses (including the loss of all of their capital investment in the Fund).

8.1 Information not complete or accurate

The Trustee is not in a position to confirm the completeness, genuineness or accuracy of any information or data included in this IM. A significant amount of the material provided in this IM was supplied by third parties, including the Investment Manager.

The Trustee has not carried out an independent audit or independently verified any of the information contained in this IM. It is possible that due to factors such as the passage of time or the uncertainty in the future, the information contained in the IM may be incomplete or inaccurate (Including monetary and taxation policy and other laws, fluctuations in general market prices for property, shares, bonds and other tradeable investments and the general state of the domestic and world economies).

8.2 Failure to achieve investment objectives

The performance of the Fund relies principally on the ability of the Investment Manager to source and assist in the making and profitable realisation of the investment of the Fund within a specific period of time. There is no assurance that the Fund or its Investments will achieve the target returns, and actual results may vary significantly from such targets. There is no assurance that the investment will be or can be acquired in a timely manner or that the investment will be profitable. Past performance is not necessarily a guide to future performance. There is no assurance that any investor will receive any distribution from the Fund. Accordingly, an investment in the Fund should be considered only by persons who can afford the loss of their entire investment.

None of the Trustee, the Investment Manager nor any other person or entity guarantees any income or capital return from the Fund.

8.3 Investment risk

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

Even though the Loan Agreement will require that the Loan be used by the Borrower to finance the development of the Project, the Trustee cannot guarantee that the Borrower will comply in whole or in part with this purpose. Investors should therefore be aware that Fund's only direct investment is the Loan made to the Borrower and the Trustee cannot control how the Borrower will ultimately use the Loan monies.

Also, there is no guarantee that the Borrower will have financial capacity to repay the loan to the Fund. Therefore, Investors may lose all of their capital investment in the Fund.

8.4 Fund risk

These are risks specific to managed funds. These risks include that the Fund could terminate, the fees and expenses of the Fund could change, the Trustee may be replaced as trustee and the Investment Manager may be replaced as investment manager of the Fund.

8.5 Management risk

The Trustee and Investment Manager may elect to retire or may be replaced as the Trustee or Investment Manager of the Fund or the services of key personnel of the Trustee and Investment Manager may become unavailable for any reason. Removal of the Trustee or Manager may only occur in limited circumstances pursuant to the constituent documents of the Fund. Any termination of the Trustee or Manager's appointment may have material adverse consequences for the Fund in certain circumstances including, but not limited to, situations where lending counterparties or other parties have imposed conditions on the ongoing management of the vehicles of the Fund. Such consequences may include the acceleration of financing facilities made available to the vehicles of the Fund or the Fund itself.

There is always a risk that the 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.

It is not the responsibility of the Trustee to assess the merits of the investments recommended by the Investment Manager, but rather to ensure that the investments it proposes to make are within the terms outlined in this IM and permissible under the Trust Deed.

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

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

The compensation of the Manager is directly related to the performance of the Fund. This may be viewed as an incentive for the Manager to recommend the acquisition of riskier or more speculative Investments on behalf of the Fund than would be the case in the absence of such a performance-based compensation structure

8.6 Investors have no right of management

Investors will not have any right to participate in the ordinary day to day management of the Fund nor will they have the right to make any investment decisions on behalf of the Fund. Generally, Investors will not have any advanced opportunity to assess the merits and risks of any Investments by the Fund. Similarly, except in certain circumstances, Investors will not have the ability to determine when or whether the Fund should make an investment or dispose of an investment.

The Investors will not have the opportunity to evaluate the relevant economic, financial and other information that will be utilised by the Manager in its selection of Investments. All investment duties and decisions will be entrusted to the Manager, its management team and advisors and as such there is a risk that the Investors will not agree with the types of Investments made by the Fund.

8.7 Return risk

The Fund seeks to deliver returns (primarily interest income) to Investors. The Fund is targeting returns which are higher than interest paid on basic deposit products. However, Investors should note that an investment in the Fund is not an investment in an ADI (such as a bank) regulated by APRA and an investment in the Fund carries more risk than an investment in a bank. As a general rule, higher potential returns have higher levels of uncertainty (high-risk) than investments with lower potential returns and low levels of uncertainty (low-risk).

The Target Return is not a forecast. The Fund may not be successful in meeting this objective and returns are not guaranteed. None of the Trustee, the Investment Manager nor any other person or entity guarantees any income or capital return from a special purpose vehicle or the Fund.

8.8 Related party transactions

Transactions involving related parties of the Trustee

The Trustee may from time-to-time enter into transactions with its related entities. For example, the Administration Manager and Licensor are related parties of the Trustee.

The Trustee 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

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

Transactions involving related parties of the Investment Manager

The Investment Manager and the Borrower are related parties. The Investment Manager and the Landowners may be related parties. The transactions between these parties, including the Loan, may not be on arm's length terms.

It is not the responsibility of the Trustee to assess the merits of this investment recommended by the Investment Manager, but rather to ensure that this investment is within the terms outlined in this IM and permissible under the Trust Deed. Accordingly, the Trustee does not guarantee that the Fund's investments are otherwise made on arm's length terms.

By investing in the Fund, Investors acknowledge that the Investment Manager is responsible for making investment decisions for the Fund and that they have made their own independent investigations to satisfy themselves of the benefit of becoming an Investor in the Fund.

Enforcement action procedures, if required, in the event of default on the Loan to the Borrower will be managed by the Trustee and are set out above in Section 2.4.

8.9 Construction and development risk

Investments in the Fund will be lent to the Borrower who will be undertaking the development of 'the Projects' – see Section 3 for more details about the development project.

There are specific risks associated with these types of development projects, including:

- construction or development costs can exceed budgeted costs and the developer may be unable to complete a project unless the developers of the Project can obtain further funds;
- funds kept in reserve by developers of the Project to complete a project being insufficient to meet the cost of completion; and
- a change in market conditions could result in the value of the Project on completion being worth less than anticipated, or in lower sale rates and prices than expected.

8.10 Diversification Risk

The Fund's only investment will be the indirect financing of the Projects, through a loan to the Borrower. As such, the Fund has limited diversification by sector and its diversification in respect of geography or the number of investments.

8.11 Default and Credit Risk

There is a risk that the Borrower may not be able to meet its financial obligations under the Loan Agreement. This may be for a wide range of reasons, including a change in the individual financial or other circumstances of the Borrower or a change in the economic climate generally.

In addition, the ability of the Fund to recover any of its investment may be impacted by and subject to the rights of a senior secured lender. This means that where a senior debt lender has priority in respect of funds generated by the project invested into by the Borrower, there may not be sufficient funds to repay the Fund's investment after repayment of the senior debt facility.

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 security ultimately held by the Trustee over the Borrower may be subordinated to and rank behind debt owed to a senior lender. The Borrower will be unable to repay the debt owed to the Fund until the senior lender is first paid in full all money owed to it under any senior debt facility.

8.12 Property Market Volatility

Property markets are subject to volatility over time and the condition of property markets in which the Fund owns property and other indirect property investments can impact investment returns. Market conditions will be impacted by factors such as the economy, business sentiment, demand for and supply of space, demographic trends and government policy and legislation.

The Borrower operates in the property market and there are risks associated with property valuations decreasing due to a downturn in the property market. The downturn of the market may impact the amount of interest distributions and capital returns to Investors.

8.13 Individual property considerations

The investment performance of any individual property that the Borrower invests in may also be affected by factors or circumstances specific to that property. Whilst an individual property may be impacted by market conditions, specific factors such as capital expenditure requirements for maintenance and upgrade, and where applicable, lease duration and operator or tenant profile will also influence investment returns. These factors may affect the ability of the Borrower to meet interest obligations.

8.14 Early repayment

Early repayments by the Borrower of loan monies from the Fund will impact on the expected returns of the Fund.

8.15 Liquidity risk

The Fund is an illiquid investment.

This is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimise a loss or make a profit.

There is currently no secondary market for Units in the Fund and it is unlikely that any active secondary market will develop. There are substantial restrictions upon the transferability of Units under the Fund documents and applicable securities laws.

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

8.16 Legal, regulatory and compliance risk

Changes in government legislation, regulation and policies generally could materially adversely affect the operating results of the Fund.

The operation of a funds management business in Australia is subject to significant regulation by Australian government authorities including without limitation the ASIC, the Australian Transactions Reporting and Analysis Centre, the Foreign Investment Review Board and the Australian Consumer and Competition Commission.

There is a risk that the Fund may not comply at all times with its various obligations under government regulations and this may result in the loss of authorisations of the AFSL held by the Trustee thereby preventing the continued operation of the Fund.

8.17 Cyber risk and exposure

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

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

In the event serious harm is a likely outcome of a breach of the Trustee's Information Technology Systems, the Trustee or Investment Manager (as may be required) will notify the affected individuals

and recommend steps that ought to be taken in response to the breach. The Trustee may also be required to notify any regulatory authority as required by law.

8.18 Tax risk

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

The effect of tax on Investors is complex and the summary in Section 6 of this IM is general in nature. Investors should seek professional tax advice specific to their own circumstances before investing in the Fund. There is a risk that the Australian federal and state / territory tax laws at the date of publication of this document, including applicable case law and published guidance by the ATO and state / territory revenue authorities, could change and changes can be adverse. Tax and duty considerations taken into account by the Trustee in preparing this IM are based on current law and the practices of relevant tax and revenue authorities, all of which are subject to change or to differing interpretations. Prospective investors should note that any such change could have retrospective application, resulting in tax and duty consequences different from those taken into account by the Trustee. There can be no assurance that these considerations will ultimately be sustained in the event of challenge by the relevant tax or revenue authorities.

8.19 Operating history

The Fund has no operating history upon which Investors 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.

8.20 Fees and expenses

The Fund will incur fees and expenses regardless of whether it is successful. The Fund will pay investment management fees, Trustee fees and administration fees whether or not it receives its returns.

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

The Trustee and the Investment Manager expect to incur significant costs and expenses in seeking to source, evaluate, structure, negotiate, close, monitor and exit an investment including, but not limited to, financial, legal, technical, regulatory, commercial advisers, engaged to assist the Trustee and the Investment Manager in seeking to source, evaluate, structure, negotiate, close, monitor and exit the investment. There can be no assurance that the Fund will be successful in being able to recover these fees and expenses from a successfully closed investment. These amounts may be significant and could have an adverse impact on the return that Investors might otherwise realise.

8.21 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 arranged by or on behalf of the Investment Manager, the Fund cannot assure that the

Investment Manager will have sufficient financial resources to cover any amounts payable under any such claim.

8.22 Currency risk

The Fund's investments will be domiciled in Australian dollars, therefore, the amount of the distributions made by the Fund, as well as the value of the Fund's Investments, will be adversely affected by any depreciation of AUD relative to an Investor's home currency.

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

Neither the Trustee nor Investment Manager guarantees the repayment of investments or the performance of the Fund. We strongly recommend that Investors obtain independent financial advice before investing in the Fund.

9. Additional Information

9.1 Summary of material documents

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

1. Trust Deed
2. Investment Management Agreement
3. Administration Agreement

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

1. Trust Deed

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

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 or asset of the Fund. Subject to the Trust Deed, as an Investor you have the following rights:

- the right to share in any distributions.
- the right to attend and vote at meetings of Investors.
- the right to participate in the proceeds of winding up of the Fund.

The Trust Deed contains provisions about convening and conducting meetings of Investors. Under the Trust Deed, the Trustee may create different Unit classes which may have different rights and obligations.

The Trustee can amend the Trust Deed without Investors' approval provided it reasonably considers the change will not adversely affect Investors' rights.

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

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

2. Investment Management Agreement

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

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

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

3. Administration Agreement

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

9.2 Privacy

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

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

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

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

By applying to invest, you give the Trustee permission to pass information it holds about you to other companies which are involved in helping it administer the Fund, or where they require it for the purposes of compliance with AML/CTF law or in connection with the holding of Application Money. The Trustee may also use your information to provide you with details of future investment offers made by it or the Investment Manager.

9.3 Anti-money laundering law

The Trustee is required to comply with the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (“AML/CTF Law”). This means that the Trustee will require potential Investors to provide personal information and documentation in relation to their identity when they invest in the Fund. The Trustee may need to obtain additional information and documentation from Investors to process applications or subsequent transactions or at other times during the period of the investment.

The Trustee may need to identify:

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

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

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

9.4 Transfer of Units

Investors can transfer the ownership of your Units at any time provided that the transferee meets the requirements of an Investor in the Fund and has been approved by the Trustee.

Under the Trust Deed, the Trustee has the discretion to refuse the transfer of Units and is not obliged to accept a transfer of Units.

Please note that a transfer of Units may have taxation consequences for the Investor and transferee and both should independently consider their own taxation requirements. See Section 7 of the IM for further information.

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

9.5 Consents

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

- VT No.1 Pty Ltd
- D H Flinders Pty Ltd
- Northern Rivers Funds Management Pty Ltd
- Summerland Development Corporation Pty Ltd
- Summerland Estate Pty Ltd
- Summerland Residential Pty Ltd
- Vasco Fund Services Pty Limited

No other party mentioned directly or indirect in this IM have provided their express consent and Trustee does not warrant that any such party has agreed to any statement relating to or attributed to them.

10. Glossary

ADI	An authorised deposit taking institution as defined in section 5 of the <i>Banking Act 1959</i> (Cth).
Administration Manager	Vasco Fund Services Pty Ltd ACN 610 512 331.
AFSL	Australian financial services licence.
Application Form	The application form included in or accompanied by this IM.
Application Money	The money paid by an applicant for Units.
ASIC	Australian Securities and Investments Commission.
ASX	The Australian Securities Exchange Limited.
Borrower	Summerland Development Corporation Pty Ltd
Business Day	A day on which banks are open for business in Melbourne, except a Saturday, Sunday or public holiday.
Class	A class of Units in the Fund.
Commencement Date	The date of commencement of the Fund, being the date on which Units are first issued.
Corporations Act	Corporations Act 2001 (Cth) for the time being in force together with the regulations of the Corporations Act.
Fees and Costs	The relevant fees and costs outlined in Section 6.
Fund	Northern Rivers Development Fund 1, established pursuant to the Trust Deed.
General Security Agreement	A general security agreement pursuant to which the Borrower provides a security interest over all of its personal property (being any property other than real estate).
GST	Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999, as amended.
Investment Option	A Unit Class in the Fund.
IM	This information memorandum.
Investment Management Agreement	The investment management agreement between the Trustee and the Investment Manager dated on or about the date of this IM.
Investment Manager	Northern Rivers Funds Management Pty Ltd (ACN 663 711 751) a corporate authorised representative of D H Flinders Pty Ltd (ACN 141 601 596) with AFSL rep number 001300805
Investor	A holder of Units.
Land-Holding Entities	The entities which will own the property being Summerland Estate Pty Ltd and Summerland Residential Pty Ltd as at the date of this Information Memorandum.
Loan	The monies lent by the Fund to the Borrower under the terms of the Loan Agreement.
Loan Agreement	An agreement to be entered into between VT No.1 Pty Ltd as trustee for the Fund and the Borrower.
Offer	The offer under this IM to acquire Units.
Qualifying Investor	The Offer is only available to persons who, if they reside in Australia, are a Wholesale Client as defined under the Corporations Act.
Specific Security Deed	A security agreement which will extend to provide the Borrower with security interests over the shares owned by the entities which own the property.
Target Return	The target returns for Units or a Class of Units as specified in this IM which is net of Fees and Costs.
Trust Deed	The deed establishing the Fund dated 24 November 2022 as amended from time to time.
Trustee or Vasco	VT No.1 Pty Ltd (ACN 640 963 319) a corporate authorised representative of D H Flinders Pty Ltd with AFSL rep number 001300901
Unit	A Unit in the Fund.
Unit Price	The price per Unit as calculated from time to time in accordance with the Trust Deed.

11. How to apply for Units

An application for Units can only be made by completing and lodging the Application Form that is included below (**Application**).

Instructions relevant to completion of the Application Form are set out in the form.

A completed original Application Form, including relevant identification documents, should be lodged by sending it to the Administration Manager at the following address:

Northern Rivers Development Fund 1
Vasco Fund Services Pty Limited
Level 4, 99 William Street
Melbourne, Victoria 3000
Australia

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

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

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

All Application Monies received in relation to the Offer will be held in the account of the Trustee until allotment. Any interest earned on Application Monies will be retained by the Trustee and will not form part of the Fund's assets.

Corporate Directory

INVESTMENT MANAGER

Northern Rivers Funds Management Pty Ltd

C/- Morgan Conley Solicitors

Lvl 6, 232 George Street

BRISBANE QLD 4001

Australia

Telephone: Nathan Collins 0431 447 790

Email: nathan@nrfm.com.au

TRUSTEE

VT No.1 Pty Ltd

Level 4, 99 William Street

Melbourne Victoria 3000

Australia

Website: www.vascofm.com

Telephone: +61 3 8352 7120

Email: info@vascofm.com

ADMINISTRATION MANAGER

Vasco Fund Services Pty Limited

Level 4, 99 William Street

Melbourne Victoria 3000

Australia

Website: www.vascofm.com

Telephone: +61 3 8352 7120

Email: info@vascofm.com



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Trustee

Vt No. 1 Pty Ltd ACN 640 963 319

Investment Manager

Northern Rivers Funds Management Pty Ltd ACN 633 711 751

Administration Manager

Vasco Fund Services Pty Limited ACN 610 512 331