



ACIF Prosperity Fund Information Memorandum

10 October 2023

Trustee Vasco Custodians Pty Ltd ACN 644 232 539

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

Administration Manager Vasco Fund Services Pty Limited ACN 610 512 331

IMPORTANT INFORMATION

This Information Memorandum (**IM**) is dated 10 October 2023.

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

The trustee for the Fund and issuer of this IM is Vasco Custodians Pty Ltd ACN 644 232 539 AFSL 530682 (**Trustee**).

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

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

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

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

Unit Classes

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

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

Glossary

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

Images

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

Updated information

Information in this IM may change and may be updated or replaced from time to time. Unless the changed information is materially adverse to the Investors' rights, the Trustee may not always update or replace this IM to reflect the changed information. Updated information regarding this IM may be made available on the Trustee's website or otherwise by issuance of a replacement or supplementary information memorandum published on the Trustee's website at www.vascofm.com.

Questions

Any questions regarding this IM should be directed to the Trustee on +61 3 8352 7120 or at info@vascofm.com or at Level 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 and Singapore.

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

By receiving and viewing this IM, the recipient is warranting that they are legally entitled to do so and the securities laws of their relevant jurisdiction do not prohibit them from acquiring interests in the Fund. Further, the person receiving and viewing this IM from the Issuer warrants that, if they reside in Australia, they are a wholesale client as defined in section 761G of the Corporations Act and, if they reside in Singapore, they are an accredited investor or certain other person prescribed under section 305 of the Securities and Futures Act 2001 (collectively, **Qualifying Investors**).

Investors from Australia

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

Investors from Singapore

With respect to Singaporean jurisdiction, this IM has been prepared on the basis that prospective Investors are also accredited investors or certain other persons prescribed under section 305 of the Securities and Futures Act. Accordingly, this scheme is not authorised or recognised by the Monetary Authority of Singapore and Units in this scheme are not allowed to be offered to the retail public.

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

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

Investor to undertake own due diligence

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

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

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

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

Prospective Investors are strongly encouraged to undertake their own due diligence in relation to the Fund before making an investment. In addition, prospective Investors should read this IM

in its entirety and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund and the information contained in this IM.

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

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

Important Warning Statements

No performance guarantee

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

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

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

An investment in the Fund is subject to investment risks which are described in Section 8 of this IM, including possible delays in repayment and loss of some or all of your income or capital invested. The risks associated with an investment in the Fund are different to a cash deposit or investment in an approved deposit taking institution (ADI).

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

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

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

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

No representation other than this IM

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

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

Forward looking statements

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

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

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

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

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

Confidentiality

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

Summary of key documents only

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

Independent financial advice

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

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Letter to Investor

Dear Investor,

On behalf of the investment management team at Australia China Investment Fund Pty Ltd (“ACIF”) it is my pleasure to present to you an opportunity to invest in the ACIF Prosperity Fund (“Fund”).

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

The Australian Federal Government’s Business Innovation and Investment Program (“BIIP”) offers an exciting concessional opportunity for high-net-worth investors to migrate to Australia. The Fund is compliant with the BIIP’s Complying Investment Framework (“CIF”), and is available to subclass 188B Investor visa holders and subclass 188C Significant Investor visa holders (collectively, “[S]IV”) who were “invited to apply” for their visa both before and after 1 July 2021. ACIF has a number of [S]IV opportunities for investors across a diverse range of Australian-based asset classes to cater for a wide range of investor return objectives and risk profiles.

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

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

- Balancing Investments, focused on real estate and infrastructure opportunities.
- Emerging company investments.
- Venture capital and private equity funds investments.

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

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

The Fund has an independent Trustee, Vasco Custodians 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 \$1.5 billion AIMS Industrial REIT listed on the Singapore Stock Exchange (SGX).

I invite you to read through this IM (including Section 8 entitled “Risks”) to allow you to make an informed decision before investing in the Fund.

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

Regards

A handwritten signature in black ink, appearing to read 'John Wang', written in a cursive style.

John Wang
Managing Director
Australia China Investment Fund Pty Ltd

1. Key Features of the Fund

- ✓ A specifically designed CIF compliant investment fund for Investor and Significant Investor visa holders.
- ✓ Access to a broad range of compliant investments such as emerging companies, venture capital and investments in Australian real property.
- ✓ Specialist investment managers have been selected for each asset class.

1.1 Key Features of the Emerging Companies Unit Classes

- ✓ The Fund provides investors with investments managed by Prime Value Asset Management Limited ACN 080 376 110 (**Prime Value**).
- ✓ The ACIF Prime Value SIV Emerging Companies Unit Class (**APVECUC**) will invest via the ACIF Prime Value SIV Emerging Companies Fund in the Prime Value SIV Emerging Companies Fund (**Prime Value SEC Fund**) and also holds existing units in the Prime Value SIV Emerging Companies Protected Fund (**Prime Value SECP Fund**).
- ✓ The Prime Value SEC Fund is a ‘managed investment scheme’ that invests in ‘emerging companies investments’. A declaration of the complying status of the Fund has been made by Prime Value (Form 1413D) and is available to investors applying for the visa. It is comprised of securities, primarily companies listed on an Australian stock exchange with a market cap of less than \$500m at the time of first purchase by the Fund, with an emphasis on capital preservation.
- ✓ Prime Value has previously created the Prime Value SECP Fund for SIV investors seeking a lower risk investment alternative for the emerging companies component of their SIV investment. The Prime Value SECP Fund is structured as a series of protected portfolios. Prime Value utilises derivatives for risk management purposes. However, due to a change in legislation and the closed nature of the fund, further allocations into the Prime Value SECP Fund have not been made since 1 October 2021 and will not be made.

1.2 Key Features of the Balancing Unit Classes

1.2.1 ACIF Balancing Investment Unit Class (**ABIUC**)

- ✓ The ACIF Balancing Investment Unit Class (**ABIUC**) will make Balancing Investments through the Fund’s wholly owned sub-fund, ACIF Balancing Fund.
- ✓ The ABIUC provides access to commercial property and infrastructure opportunities, investing with developers and project managers who have a proven track record.
- ✓ Currently the ACIF Balancing Fund is invested in:
 - ICAM Westpac House Investment Trust 1 which owns a 50% interest in the iconic office tower, RAA Place (previously known as Westpac House), located at 91 King William Street, Adelaide, South Australia 5000.
 - ICAM ACIF Lucky Bay Trust 2 which owns key infrastructure assets in the Wallaroo Port, including the Wallaroo Port Facility, port storage silos including 32,000 tonnes of storage in four 8,000 tonne fumigable silo bin units, and upcountry grain bunker storage with capacity to hold 260,000 tonnes of grain in close proximity to Wallaroo, South Australia.
 - ICAM ACIF Land Trust which own land in Wallaroo, South Australia upon which the Wallaroo Port – a shallow harbor mixed-use agricultural port project on the Eyre Peninsula, South Australia acting as a sister port to the LB Port with some shared assets – has completed construction and commenced operations in early 2023.

1.2.2 ACIF Balancing Investment Unit Class 2 (**ABIUC2**)

- ✓ The ACIF Balancing Investment Unit Class 2 (**ABIUC2**) will invest via the Fund's wholly owned sub-fund, ACIF Balancing Fund 2.
- ✓ While the ABIUC2 and ACIF Balancing Fund 2 will mainly provide access to CIF compliant Australian real property opportunities, it may also invest in any other Balancing Investments.
- ✓ In allocating towards CIF compliance Australian real property opportunities, the ACIF Balancing Fund 2 will:
 - invest with developers and project managers who have a proven track record;
 - be structured to comply with [S]IV rules; and
 - not invest in residential real property.
- ✓ Allocations in any other Balancing Investments will be subject to the discretion of the Trustee upon receipt of a detailed investment submission in accordance with the Sub-Fund Investment Manager's investment policy.

1.3 Key Features of the Venture Capital and Private Equity Funds

- ✓ The Fund provides investors with investment options being investments managed by Vantage Asset Management. At as the date of this IM, Investors will have the opportunity to invest in Vantage Private Equity Growth 5 (VPEG5). After the final close of VPEG5, Investors will have the opportunity to invest in Vantage Private Equity Growth 6 (VPEG6).
- ✓ The Investment Manager has negotiated an arrangement through which you will be able to invest in VPEG5 and VPEG6 (**VPEG Funds**). Both VPEG Funds are Complying Investment Framework (CIF) complying growth private equity funds.
- ✓ The VPEG Funds are growth private equity fund of funds investment managed by Vantage Private Equity Management Partnership, LP (registration number L0000417A) investing in professionally managed Australian private equity funds focused on investing in profitable companies at the Later Expansion and Buyout stages of private equity in Australia.
- ✓ The businesses invested in by the funds selected by Vantage typically have a strong market position and generate strong cash flows allowing the VPEG Funds to generate strong and consistent returns to investors.
- ✓ Additional venture capital funds may be offered to investors in the future.

Note: Your investment in the VPEG Funds will not be made via the Fund but will be arranged for you separately in order to comply with the SIV rules requiring direct investment into Australian venture capital funds.

2. Key Terms

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

Fund name	ACIF Prosperity Fund
Trustee and Custodian	Vasco Custodians Pty Ltd ACN 644 232 539
Investment Manager	Australia China Investment Fund Pty Ltd ACN 607 032 655
Sub-Funds	ACIF Prime Value SIV Emerging Companies Fund ACIF Balancing Fund ACIF Balancing Fund 2
Sub investment managers	Emerging Companies – Prime Value Asset Management Limited ACN 080 376 110 Balancing Investments – Australia China Investment Fund Pty Ltd ACN 607 032 655 Venture Capital or Growth Private Equity (VCPEF) – Vantage Private Equity Management Partnership, LP (registration number L0000417A).
Administration Manager	Vasco Fund Services Pty Limited ACN 610 512 331
Structure	The Fund is an unregistered managed investment scheme structured as a unit trust and established pursuant to a Trust Deed governed by Australian law. There are three classes of Units on issue in the Fund, being: 1. APVECUC Units: funds subscribed for APVECUC Units will be invested in the ACIF Prime Value SIV Emerging Companies Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Prime Value SIV Emerging Companies Fund; 2. ABIUC Units: funds subscribed for ABIUC Units will be invested in the ACIF Balancing Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Balancing Fund; and 3. ABIUC2 Units: funds subscribed for ABIUC2 Units will be invested in the ACIF Balancing Fund 2 and will only have a right to the income and capital received from the Fund's investment in the ACIF Balancing Fund 2.
Investment objective	To provide subclass 188B Investor visa and subclass 188C Significant Investor visa investors with access to a diversified range of CIF compliant investments with attractive returns over the medium to long term.

CIF compliant investment guidelines

Under the Complying Investment Framework for subclass 188C Significant Investor visa holders who were invited to apply prior to 1 July 2021, there is a mandatory requirement to invest at least \$500,000 in a venture capital/private equity investment, at least \$1.5 million in Emerging Companies and the remainder \$3 million in Balancing Investments.

Under the Complying Investment Framework for subclass 188B Investor visa and subclass 188C Significant Investor visa holders who were invited to apply after 1 July 2021, the minimum investment amount will be dependent on the subclass of the visa, and as represented in the table below:

Investment Type	Percentage of investment	For the subclass 188C (\$5,000,000 investment in the Fund)	For the subclass 188B (\$2,500,000 investment in the Fund)
Venture Capital and growth private equity	At least 20%	\$1,000,000	\$500,000
Managed Funds investing in Emerging Companies	At least 30%	\$1,500,000	\$750,000
Balancing investment	Up to 50%	\$2,500,000	\$1,250,000

For more information on the Complying Investment Framework, IV and SIV guidelines, refer to section 4 of this Memorandum.

Target Fund Size

The Trustee is seeking to raise \$100 million. However, there is no minimum or maximum subscription level restriction on the amount that can be raised.

Gearing

The Fund will not have any borrowings.

Liquidity

For subclass 188C Significant Investor visa holders who were invited to apply prior to 1 July 2021, you will not be able to withdraw your investment in the Fund until after the fourth anniversary of the date on which your Units were issued.

For subclass 188B Investor visa and subclass 188C Significant Investor visa holders who were invited to apply after 1 July 2021, you will not be able to withdraw your investment in the Fund until after the fifth anniversary of the date on which your Units were issued.

For Non-[S]IV Investors, you will not be able to withdraw your investment in the Fund until after the fifth anniversary of the date on which your Units were issued.

Following the anniversary date, you may submit a withdrawal request to the Trustee setting out the number of Units you wish to withdraw from the Fund. The Trustee will use reasonable endeavours to satisfy valid withdrawal requests, however, it is not obliged to do so where there is insufficient cash available in the Fund or the Trustee considers it would be a material disadvantage to the Fund if some or all requests were met. Subject to those qualifications, withdrawal requests will be processed and satisfied within 60 days of receipt. Your ability to withdraw your VCPEF investment will depend upon the liquidity of the VCPEF and you should refer to the relevant disclosure document.

Minimum Investment

188C Significant Investor visa holders prior to 1 July 2021

For subclass 188C Significant Investor visa holders who were invited to apply prior to 1 July 2021, \$5 million total commitment, including \$500,000 for the VCPEF. The Investment Manager has the discretion to accept smaller amounts.

Your investment will be allocated as follows:

- \$500,000 into VCPEF. This investment does not form part of the Fund, but Vasco will make the investment on your behalf. For the time between when you provide us with your investment amount and the time the VPEG Funds are ready to accept your investment, the money will be held by Vasco in escrow for the VPEG Funds and will be invested in the Vasco Cash Enhanced Fund.
- \$3,000,000 in ABIUC Units or ABIUC2 Units. The allocation of the investment amount between the two Unit classes will be at the discretion of the Investment Manager, unless you otherwise direct the Trustee in your Application Form.
- \$1,500,000 in APVECUC Units.

Any amount you invest above \$5 million will be invested in ABIUC or ABIUC2 Units at the discretion of the Investment Manager, unless you otherwise direct the Trustee in your Application Form.

Should investors wish, they may also choose to invest only in particular Unit Classes. The minimum investment in the ABIUC is \$3,000,000 whilst the minimum investment in the Emerging Companies Unit Classes is \$1,500,000.

188C Significant Investor visa holders after 1 July 2021

For subclass 188C Significant Investment visa holders who were invited to apply after 1 July 2021, \$5 million total commitment, including \$1,000,000 for the VCPEF. The Investment Manager has the discretion to accept smaller amounts.

Your investment will be allocated as follows:

- \$1,000,000 into VCPEF. This investment does not form part of the Fund, but Vasco will make the investment on your behalf and will monitor your investment and report on it to you. For the time between when you provide us with your investment amount and the time the VPEG Funds are ready to accept your investment, the money will be held by Vasco in escrow for the VPEG Funds and will be invested in the Vasco Cash Enhanced Fund.
- \$2,500,000 in ABIUC Units or ABIUC2 Units. The allocation of the investment amount between the two Unit classes will be at the discretion of the Investment Manager, unless you otherwise direct the Trustee in your Application Form.

- \$1,500,000 in APVECUC Units.

Any amount you invest above \$5 million will be invested in ABIUC or ABIUC2 Units at the discretion of the Investment Manager, unless you otherwise direct the Trustee in your Application Form.

Should investors wish they may also choose to invest only in particular Unit Classes. The minimum investment in the ABIUC or ABIUC2 is \$2,500,000 whilst the minimum investment in the Emerging Companies Unit Classes is \$1,500,000.

188B Investor visa holders after 1 July 2021

For subclass 188B Investor visa holders who were invited to apply after 1 July 2021, \$2.5 million total commitment, including \$500,000 for the VCPEF. The Investment Manager has the discretion to accept smaller amounts.

Your investment will be allocated as follows:

- \$500,000 into VCPEF. This investment does not form part of the Fund, but Vasco will make the investment on your behalf and will monitor your investment and report on it to you. For the time between when you provide us with your investment amount and the time VPEG Funds are ready to accept your investment, the money will be held by Vasco in escrow for the VPEG Funds and will be invested in the Vasco Cash Enhanced Fund.
- \$1,250,000 in ABIUC or ABIUC2 Units. The allocation of the investment amount between the two Unit classes will be at the discretion of the Investment Manager, unless you otherwise direct the Trustee in your Application Form.
- \$750,000 in APVECUC Units.

Any amount you invest above \$2.5 million will be invested in ABIUC or ABIUC2 Units at the discretion of the Investment Manager, unless you otherwise direct the Trustee in your Application Form.

Should investors wish, they may also choose to invest only in particular Unit Classes. The minimum investment in the ABIUC or ABIUC2 is \$1,250,000 whilst the minimum investment in the Emerging Companies Unit Classes is \$750,000.

Non-[S]IV Investors

Non-[S]IV Investors will only be able to solely invest in the ABIUC or ABIUC2. The allocation of the investment amount between the two Unit classes will be at the discretion of the Investment Manager, unless you otherwise direct the Trustee in your Application Form.

The minimum investment is \$500,000, subject to the discretion of the Trustee to accept a lower investment amount.

Fund Currency	Australian Dollars (AUD)
Term	<p>For subclass 188C Significant Investment visa holders who were invited to apply prior to 1 July 2021, the minimum investment term is 4 years other than APVECUC which has a minimum term of 5 years (please see section 7 for details on Withdrawal/Redemption).</p> <p>For subclass 188B Investor and 188C Significant Investor visa holders who were invited to apply after 1 July 2021, the minimum investment term is 5 years (please see section 7 for details on Withdrawal/Redemption).</p> <p>For Non-[S]IV Investors, the minimum investment term is 5 years (please see section 7 for details on Withdrawal/Redemption).</p>
Trustee fee	<p>0.10% (plus GST) per annum of the gross asset value of the Fund, paid monthly in arrears (subject to a minimum annual fee of \$25,000 (plus GST)) out of the assets of the Fund. A related party of the Trustee will also act as trustee of the Sub-Funds and is entitled to be paid fees (see Section 8).</p> <p>The trustee fees for the Fund are allocated between the unit classes based on the gross asset value from the previous month of each respective unit class.</p> <p>The Investment Manager will pay all the fees and expenses of the APVECUC and the ACIF Prime Value Emerging Companies Fund.</p>
Investment Manager fee	<p>The Investment Manager will not charge an annual management fee for their role as Investment Manager of the Fund, the ACIF Prime Value SIV Emerging Companies Fund, the ACIF Balancing Fund or the ACIF Balancing Fund 2.</p> <p>The Investment Manager will be remunerated through being paid:</p> <ul style="list-style-type: none"> • Referral fees by the Prime Value Funds, the VPEG Funds or any other third party fund manager for underlying investments of the Sub-Funds; and • An establishment fee or referral fee by parties with which the ACIF Balancing Fund or ACIF Balancing Fund 2 may invest. • A quarterly performance-based redemption fee from the APVECUC and an annual performance fee for ABIUC and ABIUC2. <p>These fees are detailed in sections 5.2, 0, 5.4 and 5.5.</p>
Removal fee	<p>The Trustee is entitled to be paid a removal fee of \$5,000 if it retires or is removed as trustee of the Fund.</p>

Administration fee

The Administration Manager will also receive a fee for acting as Administration Manager. The Administration Manager is entitled to receive \$29,851 (plus GST) per annum for undertaking the administration of the Fund, including processing of applications, fund registry, fund accounting and attending to the lodgement of regulatory returns. The Administration Manager also receives a fee for acting as administration manager of the sub-funds. These fees are subject to an annual increase of 3% on the 1st of January each year.

The administration fees for the Fund are allocated between the unit classes based on the gross asset value from the previous month of each respective unit class.

The Investment Manager will pay all the fees and expenses of APVECUC and the ACIF Prime Value SIV Emerging Companies Fund.

3. Executive Summary

3.1 Overview

Australia China Investment Fund Pty Ltd (“ACIF”) offers investors wishing to migrate to Australia access to a range of Complying Investment Framework (“CIF”) complying investments for subclass 188B Investor and 188C Significant Investor visa holders.

Immigration to Australia under the subclass 188C Significant Investor Visa (“SIV”) visa stream was first introduced in 2012. It provides a 4 year pathway to Australia for permanent residency. Under the subclass 188C visa stream, visa holders are required to invest at least \$5 million into a portfolio of complying investments with the CIF.

In July 2015 the Australian Government announced major changes to the CIF. These changes broadened the required range of investments to include venture capital and growth private equity funds (“VCPEF”), managed funds investing in Emerging Companies, and Balancing Investments. The Fund was originally established to allow Investors the opportunity to participate in a post July 2015 CIF.

On 1 July 2021 the Australian Government again introduced changes to the CIF. These changes modified the allocation required for subclass 188B and 188C visa holders, the investments permitted, and the minimum period which the complying significant investments must be held.

The Fund is now updated to allow Investors the opportunity to participate in a post July 2021 CIF compliant fund for subclass 188B and 188C visa holders. Investors who wish to invest in a CIF compliant fund and were “invited to apply” for the 188B and 188C visa both prior to and after 1 July 2021, can apply for the following:

- Managed funds investing in emerging companies and Balancing Investments will be made available by investment in the three Unit classes of the Fund, the APVECUC Units, the ABIUC Units and the ABIUC2 Units. Unless you provide other instructions, the Investment Manager will allocate \$1,500,000 (for subclass 188C visa holders) or \$750,000 (for subclass 188B visa holders) of your investment in the Fund to APVECUC Units and will allocate \$2,500,000 (for subclass 188C visa holders) or \$1,250,000 (for subclass 188B visa holders) to ABIUC or ABIUC2 Units. The Investment Manager will in turn invest the money raised from the APVECUC Units into managed funds investing in emerging companies (through the ACIF Prime Value SIV Emerging Companies Fund) and the money raised from the ABIUC or ABIUC2 Units into Balancing Investments (through the ACIF Balancing Fund or the ACIF Balancing Fund 2).
- Access to VCPEFs will also be managed on Investor’s behalf by ACIF, but the investment itself will not be an asset of the Fund, but will be held by each Investor. This structure has been adopted to comply with the SIV rules which require direct investment into VCPEFs.

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

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

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

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

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

4. IV and SIV Investment Guidelines

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

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

On 1st July 2015, the Australian Government introduced major changes to the CIF for the subclass 188C Significant Investor stream, broadening the allowable range of investment, whilst also including for subclass 188C visa holders, mandated amounts to venture capital and growth private equity funds of \$0.5m and managed funds investing in emerging companies of \$1.5m.

On 1st July 2021, the Australian Government again introduced changes to the CIF for subclass 188B Investor and 188C Significant Investor visa holders. These changes modified the allocation required for subclass 188B and 188C visa holders, the investments permitted, and the minimum period which the complying significant investments must be held.

4.2 Immigration Program Overview

Visa streams under the Business Innovation and Investment Program that are subject to the CIF are the: subclass 188B Investor visa (provisional), subclass 188C Significant Investor visa (provisional), subclass 888B Investor visa (permanent), and subclass 888C Significant Investor visa (permanent) visa streams.

To be granted a Provisional Investor ("IV") or Significant Investor visa ("SIV"), a visa applicant must be nominated by an Australian state or territory. Each state or territory may have its own specific nomination requirements, including the types of investments that must be held. A nominated client will then be invited to make an application to the Department of Home Affairs.

For investors who were "invited to apply" for the SIV prior to 1 July 2021, the Provisional SIV runs initially for 4 years and 3 months and may be extended by up to a further 4 years.

For investors who were "invited to apply" for the [S]IV after 1 July 2021, the provisional IV and SIV run initially for 5 years. The [S]IV visa may be extended by up to a further 2 years.

4.3 IV and SIV Immigration Program Overview

During the Provisional visa period, the SIV investor (main applicant) must spend an equivalent of at least 40 days per year (or part year) in Australia, measured over the course of the Provisional SIV, whilst the IV investor must have been in Australia for at least 2 years immediately before their permanent visa application. For visa holders who were "invited to apply" after 1 July 2021:

- For IV holders—you must continuously hold at least \$2.5 million in CIF qualifying investments for the whole of the visa period.
- For SIV holders—you must continuously hold at least \$5 million in CIF qualifying investments for the whole of the visa period.

4.4 IV and SIV Program – Provisional Visa Application Process

4.4.1 *Step 1 – Nomination and Expression of Interest*

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

4.4.2 *Step 2 – Provisional Visa Application*

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

You then have 60 days to submit the visa application and supporting documentation to the Department of Home Affairs.

4.4.3 *Step 3 – Invest in Complying Significant Investments*

If your application is satisfactory, The Department of Home Affairs (“DHA”) will invite you to make an investment in a Complying Investment Framework compliant fund.

4.4.4 *Step 4 – Grant of Provisional IV and SIV*

Once the DHA is satisfied that your visa application meets all the relevant criteria, including that you have complied with your investment obligations under the Complying Investment Framework, you will be eligible to be granted a Provisional [S]IV.

4.4.5 *Step 5 – Permanent Visa Application*

For [S]IV holders who were “invited to apply” after 1 July 2021, to be eligible for a Permanent visa, you must meet your residential requirements and have held your investment for the entire visa period.

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

4.5 What are the current investment guidelines?

[S]IV investors are to invest in CIF qualifying investments as per the following table:

Investment Type	Percentage of investment	Subclass 188C (\$5,000,000 investment in the Fund)	Subclass 188B (\$2,500,000 investment in the Fund)
Venture Capital and growth private equity (VCPEF)	At least 20%	\$1,000,000	\$500,000
Managed Funds investing in emerging companies	At least 30%	\$1,500,000	\$750,000
Balancing investment	Up to 50%	\$2,500,000	\$1,250,000

4.6 What are the requirements for VCPEF investments?

For SIV holders who were “invited to apply” after 1 July 2021, at least \$1,000,000 is to be invested in eligible VCPEFs.

For IV holders who were “invited to apply” after 1 July 2021, at least \$500,000 is to be invested in eligible VCPEFs.

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

As at the date of this IM, Investments in VCPEFs require three elements of proof for SIV applicants:

- Proof that funds invested by the applicant are taken upfront by the fund vehicle (or held in escrow in a cash management trust or bank account as security)
- Proof of the applicant entering into a commitment with the VCPEF within 6 months from the date the provisional visa is granted, and
- Proof a substantial part of the investment held by the VCPEF have commenced within 5 years from the date the SIV is granted.

For more information about VCPEF investments please refer to the disclosure documents for VPEG5 available at www.vantageasset.com.au

4.7 What are the requirements for Emerging Companies Investments?

For SIV holders who were “invited to apply” after 1 July 2021, at least \$1,500,000 is to be invested in eligible managed funds investing in emerging companies.

For IV holders who were “invited to apply” after 1 July 2021, at least \$750,000 is to be invested in eligible managed funds investing in emerging companies.

To qualify as an Emerging Companies Investment, the fund must invest in eligible ‘emerging companies’. The emerging companies fund must maintain a minimum of 20 investee companies within 3 months of the fund’s inception date and may be open or closed ended managed funds or listed investment companies.

As at the date of this IM, the permitted investments for ‘emerging companies’ include:

- Australian ASX listed securities in companies with a market cap of less than \$500 million at the time of first purchase.
- Australian non-ASX listed securities (subject to a limit of 20% of the fund’s net assets).
- Unlisted Australian securities.
- Foreign listed securities (subject to a limit of 10% of the fund’s net assets).
- Previously held securities of a company or managed investment scheme which have grown to a market cap over \$500 million (subject to a limit of 30% of the fund’s net assets).
- Derivatives for risk management purposes only, and
- Cash held by Australian ADIs (subject to a limit of 20% of the fund’s net assets).

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

4.8 What are the requirements for a Balancing Investment?

For SIV holders who were “invited to apply” after 1 July 2021, a maximum of \$2.5 million (if \$5 million is invested) is to be invested in a complying Balancing Investment.

For IV holders who were “invited to apply” after 1 July 2021, a maximum of \$1.25 million ((if \$2.5 million is invested) is to be invested in a complying Balancing Investment.

As at the date of this IM, a Balancing Investment includes investments in:

- Securities in any of the following bodies listed on an Australian securities exchange:
 - companies;
 - real estate investment trusts; and
 - infrastructure trusts.
- Corporate bonds or notes issued by:
 - an Australian securities exchange listed entity;
 - a wholly owned subsidiary of an Australian securities exchange listed entity; or
 - an Australian incorporated company if the bonds or notes are rated as investment grade by an AFS licensed credit rating agency.

- Annuities issued by an Australian registered life company but cannot commence paybacks during the provisional visa period.
- Australian real property (subject to restrictions around investing in residential real estate).
- Cash held by Australian ADIs (subject to a limit of 20% of the fund's net assets).
- Derivatives for risk management purposes only.
- Balancing Investment funds may be open or closed ended managed funds or listed investment companies.

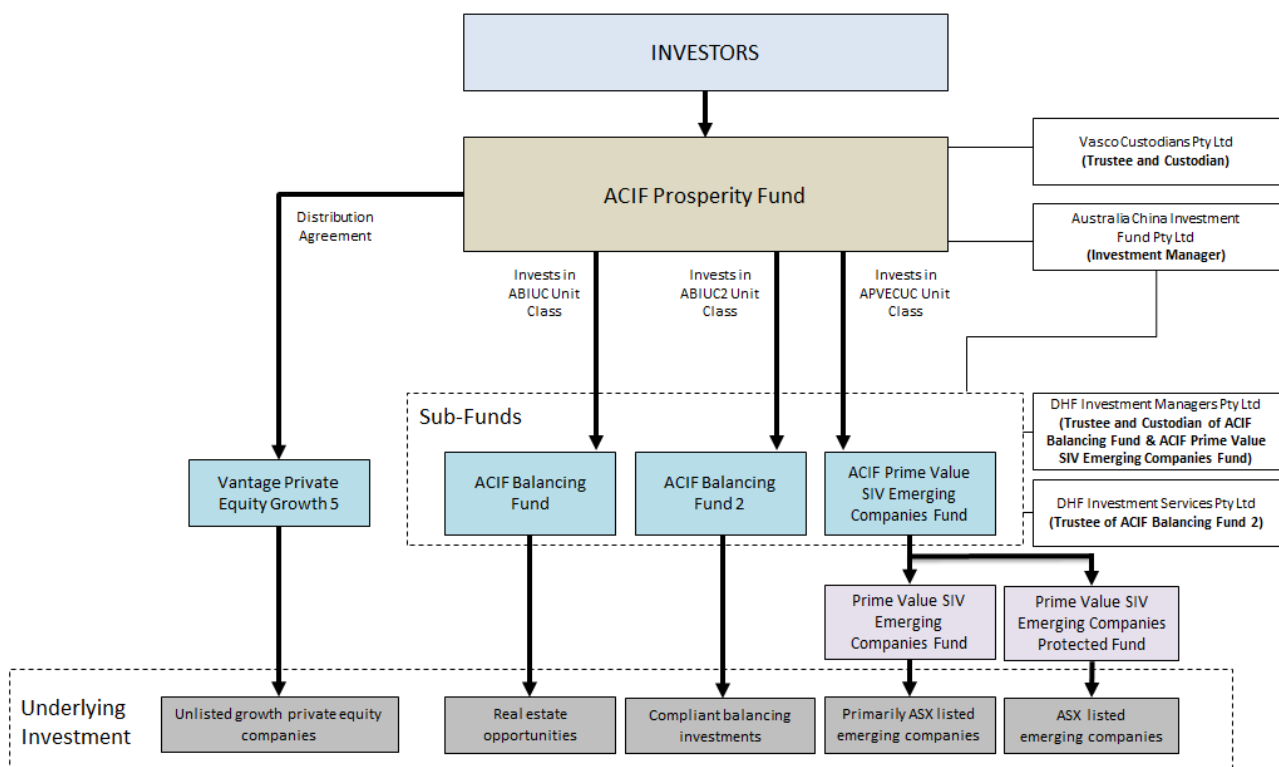
5. Structure of the Fund

5.1 Overview

The Fund structure is as follows:

- i) The Fund is a managed investment scheme structured as a unit trust and established under (and governed by) Australian law.
- ii) The Fund has three classes of Units, the APVECUC Units, the ABIUC Units and the ABIUC2 Units, each of which relate to sub-funds being the ACIF Prime Value SIV Emerging Companies Fund, ACIF Balancing Fund and ACIF Balancing Fund 2 (Sub-Funds).
- iii) The Fund will be operated as an open-ended fund; meaning the Fund remains open to new investors.
- iv) The Trustee and Custodian of the Fund is Vasco Custodians Pty Ltd ACN 160 969 120 AFSL 530 682.
- v) The Trustee and Custodian of the ACIF Prime Value SIV Emerging Companies fund and ACIF Balancing Fund is DHF Investment Managers Pty Ltd ACN 607 120 570 AFSL 509932. The Trustee and Custodian of the ACIF Balancing Fund 2 is DHF Investment Services Pty Ltd ACN 644 231 158 as a corporate representative (no. 001286411) of D H Flinders Pty Ltd ACN 141 601 596 AFSL 353001. Both trustees of the Sub-Funds are related companies of Vasco.
- vi) The Trustees of the Fund and Sub-Funds have appointed Australia China Investment Fund Pty Ltd ACN 607 032 655 as Investment Manager of the Fund.

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



Investors may become unit holders in the Fund by subscribing for units in the Fund in accordance with the terms of this IM.

The units acquired by Investors may be in three different classes:

- APVECUC Units: funds subscribed for APVECUC Units will be invested in the ACIF Prime Value SIV Emerging Companies Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Prime Value SIV Emerging Companies Fund.
- ABIUC Units: funds subscribed for ABIUC Units will be invested in the ACIF Balancing Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Balancing Fund.
- ABIUC2 Units: funds subscribed for ABIUC2 Units will be invested in the ACIF Balancing Fund 2 and will only have a right to the income and capital received from the Fund's investment in the ACIF Balancing Fund 2.

Unless SIV investors, who were "invited to apply" after 1 July 2021, otherwise notify the Trustee on the application form, \$1,500,000 of their investment will be invested in APVECUC Units and \$2,500,000 will be invested in ABIUC or ABIUC2 Units, at the discretion of the Investment Manager.

Unless IV investors, who were "invited to apply" after 1 July 2021, otherwise notify the Trustee on the application form, \$750,000 of their investment will be invested in APVECUC Units and \$1,250,000 will be invested in the ACBIUC or ABIUC2 Units, at the discretion of the Investment Manager.

For [S]IV investors who were "invited to apply" after 1 July 2021, Investors will not be able to withdraw their Units for five years from their date of issue. Once the five-year period has expired, it is expected that investors will be able to submit a request to withdraw some or all of their Units from the Fund by giving 60 days' notice to the Trustee of the Fund who will aim to process the redemptions, subject to available liquidity at that time. Because the only assets the Fund will hold are units in the Sub-Funds, the liquidity of the Fund will depend on the liquidity of the Sub-Funds, which in turn is dependent on the assets the Sub-Funds hold. The Trustee does not guarantee that the amount available for withdrawal will permit an Investor to withdraw all of their Units. More information about the investment strategies for each of the Sub-Funds appears later in this section.

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

The Fund will not have any borrowings.

5.2 ACIF Prime Value SIV Emerging Companies Unit Class

Unit Class name	ACIF Prime Value SIV Emerging Companies Unit Class (or APVECUC) will invest in a wholly owned sub-fund of the Fund called ACIF Prime Value SIV Emerging Companies Fund.
Sub-Fund Trustee	DHF Investment Managers Pty Ltd (DHFIM)
Sub-Fund Investment Manager	Australia China Investment Fund Pty Ltd (ACIF)
Administration Manager	Vasco Fund Services Pty Limited (VFS)
Investment Strategy	The APVECUC will invest in the ACIF Prime Value SIV Emerging Companies Fund which holds an existing position in the Prime Value SIV Emerging Companies Protect Fund ('Prime Value SECP Fund') but will invest any new investment capital only in the Prime Value SIV Emerging Companies Fund ('Prime Value SEC Fund').
Underlying Investment Trustee and Investment Manager	Prime Value Asset Management Limited (Prime Value) is the underlying trustee and investment manager of the Prime Value SEC Fund and Prime Value SECP Fund.
Sub-Fund Trustee and Administration fees	<p>DHFIM shall be paid \$5,000 per annum for acting as trustee of the ACIF Prime Value SIV Emerging Companies Fund and VFS shall be paid \$5,970 for undertaking fund accounting and registry functions. The administration fees are subject to an annual increase of 3% on the 1st of January each year.</p> <p>The Investment Manager will pay all the fees and expenses of APVECUC and the ACIF Prime Value SIV Emerging Companies Fund.</p>
Investment Manger Fees	<p>For investments into the Prime Value SEC Fund, ACIF receives a referral fee from Prime Value of 2% of the Investment Amount and a Trail Fee of 0.5% per annum of the Investment. In addition, ACIF as the sub-fund investment manager will receive a performance-based redemption fee of 25% of the performance fee received by Prime Value which is outlined in 'Fees of Prime Value SEC Fund' below.</p> <p>For existing investments in the Prime Value SECP Fund, ACIF has received a referral fee from Prime Value of 3% of the amount invested plus 0.20% per annum of all funds invested in the Prime Value SECP Fund up to an amount of \$12m being invested and a referral fee of 0.25% per annum once \$12m has been invested in the Prime Value SECP Fund (including the first \$12m). ACIF has or will also receive 50% of any performance fee charged by Prime Value and a performance-based redemption fee of 50% of the value of the investment in excess of \$1.4m (assuming an amount of \$1.5m was invested).</p>
Fees of Prime Value SEC Fund	An establishment fee of up to 2% of the amount invested which is payable upon investing. The establishment fee may be deducted from distributions.

An annual management fee of 1.50% (plus GST) per annum. This fee is calculated and accrued daily on the net asset value of the Fund at the end of each day, and payable from the Fund's assets within five (5) Business Days of the end of each calendar month.

An annual Compliance Administration Fee of 0.50% (plus GST) per annum of the amount invested. This fee is calculated half-yearly at 30 June and 31 December and generally deducted from the income distribution for the relevant period. Where an investor withdraws from the Fund, the compliance administration fee will be calculated at that time and deducted from the investor's withdrawal proceeds.

Prime Value is entitled to a performance fee of 30% of net performance above 8% per annum, subject to the following – A daily performance fee is calculated on the increase in the value of the Fund relative to an 8% performance hurdle. The daily amounts are added, and where the cumulative balance is positive, performance fees are accrued in the unit price. At the end of each half year (as at 30 June and 31 December), where the cumulative daily performance fee balance is positive, it will be paid from the Fund. For further detail, please refer to section 5.2.6 below.

An application or withdrawal may require the purchase or sale of Fund assets, incurring transaction costs such as brokerage, government duties and taxes. The current buy-sell spread of the Fund is +/-0.40%. Reinvested distributions do not attract the buy-sell spread.

5.2.1 *Investment Manager of the Prime Value SEC Fund*

Prime Value Asset Management Limited is a multi-award winning boutique Australian investment manager with an impressive history of building wealth with investors since 1998. Together with our sister company Shakespeare Property Group, we now manage in excess of \$2.5 billion on behalf of high-net-worth families, private investors, clients of financial planners and non-profit organisations, across four asset classes including: Income Securities, Equities, Commercial Properties, and Alternative Assets.

Prime Value and members of its investment team are cornerstone investors in Prime Value Funds and have a true alignment of interest with other investors. As fellow investors, we demand superior returns for accepting the investment risk – not just the average return of the market. In this way, "Building Wealth Together" is more than just a slogan. It is the heart and soul of Prime Value.

Investors in Prime Value funds have access to some of Australia's leading in-house portfolio managers whose portfolios consistently outperform the market and are ranked as leading funds in multiple investment reports. Most recently, Prime Value Emerging Opportunities Fund, which is managed by the same investment team of Prime Value SEC Fund and Prime Value NSW SEC Fund was ranked and awarded:

- #1 Australian Equities – Small Cap Fund Manager of 2022 (Zenith)
- #1 Australian Small Cap Fund for 3 years to June 2022 (Mercer)
- Australia's top 10 fund managers of 2022, "Star Manager" (Financial Newswire/SQM Research)
- Top 10 Funds 2021FY (Mercer)
- #1 Australian Small Cap Fund 2020FY (Mercer)
- #3 Fund across all Australian Equity funds 2020CY (MorningStar)

5.2.2 *Key Features of the Prime Value SEC Fund*

The Prime Value SEC Fund is an investment solution for SIV and IV investors. The Fund is an Australian unregistered managed investment scheme and fixed unit trust, and is a complying investment under the Australian Government's SIV and IV regime. The Prime Value SEC Fund is comprised of securities, primarily companies listed on an Australian stock exchange with a market cap of less than \$500m at the time of first purchase by the Fund, with an emphasis on capital preservation.

The net income of the Fund received during a year is distributed to investors throughout the year. The Fund generally pays distributions half-yearly as at 30 June and 31 December. You can choose to have your distributions automatically reinvested into additional units in the Fund or paid directly into your nominated bank account. There is no buy-sell spread on distributions that are reinvested.

The fund is monitored daily and rebalanced where required to ensure continued compliance with the SIV regime.

5.2.3 *Investment Objective*

Prime Value SEC Fund is specifically designed for SIV and IV investors seeking medium to long term capital growth and to comply with emerging companies' components of their required SIV and IV investment.

Prime Value believe the small-cap emerging companies sector investment returns are driven by investing in companies, not in benchmarks. The Fund takes a very disciplined approach towards company selection.

- Very disciplined with value / low growth companies
- Looking for high quality, high growth companies – short term valuation less important
- Companies with sustainability of earnings

The Funds are long-only concentrated funds that leverage Prime Value's fundamental research capabilities while minimizing the risk of permanent capital loss.

5.2.4 *Investment Philosophy*

Stewardship

We take our role as stewards earnestly and value our responsibility to investors – putting our clients first. Co-investing alongside our investors ensures a true alignment of interest.

Quality investing requires a balance between Art and Science

Prime Value enjoys the flexibility of being a style-neutral manager because it allows us to select stocks from across the ASX within SIV compliance criteria. This independent approach has delivered for over 24 years and means our process is not easily replicated.

When evaluating investment opportunities, we focus on good companies selling below intrinsic value. We judge stocks based on investment fundamentals while also taking into account macro economic data, corporate financial reports, industry data and comments from corporate officers to determine whether a stock is under or over-valued.

Prime Value believes all economic and financial tests require flexibility, depending on the phase in the economic cycle or the type of stock. There is no standard way of identifying winners or losers in the stock market. Experience and common sense dictate how the formula must be adapted to determine the appropriate investment decision for each security.

Analysis is the first step in investing; however, interpretation and judgment are equally important.

Minimising mistakes

Minimising mistakes is our number one imperative. We must remember investment decisions are based on market views and intelligence that is often faulty, and on research that is never complete and error-free.

In practice the Investment Manager who makes the fewest mistakes usually produces superior results. Our research efforts are focused as much on avoiding losers as identifying winners.

Equity indices are inefficient

Equity indices are a good way to get a feel for how well the market in general has performed, but they are not necessarily a good model for how to build a portfolio of stocks. At Prime Value, our main focus is on good companies selling below their intrinsic value.

Investing in emerging companies allows us opportunities often overlooked by major fund managers and stockbrokers. There are good reasons to look beyond the obvious. Stocks outside the ASX 100 are less researched and less influenced by trading and market factors and are more suited to detailed fundamental analysis as the basis for investment selections. Our portfolios are constructed based on the expected return characteristics of the individual companies without reference to their size. We invest in a “market of stocks”, free of equity indices or other benchmark constraints.

5.2.5 Investment Process

All members of the investment team i.e. the portfolio managers and analysts are involved in the research process. Our research is focused on identifying investment opportunities arising from the market inefficiencies.

There are four core parts to our research effort:

- 1) Thematic and macroeconomic analysis
- 2) Company visitation program
- 3) Company modelling and valuation
- 4) Recommendation ranking

Our investment team includes two experienced portfolio managers and an analyst with broad-based company and sector knowledge. All contribute to forming the thematic, macroeconomic and market views, which influence the structure of the portfolio. In addition, the whole team participates in an extensive company visitation program. Company modelling and valuation analysis is allocated between the team.

We also benefit from the broader Prime Value group’s expertise, which has investments in areas including dairy, agriculture, tourism & hospitality, and retirement living.

5.2.6 Performance Fee of the Prime Value SEC Fund

Performance fees are calculated and incorporated into the unit price of the Prime Value SEC Fund.

A daily performance fee is calculated on the difference between the daily performance of the Fund and the rate of 8% per annum (performance hurdle). Daily performance fees can be positive or negative, depending on whether the Fund’s performance is higher or lower than the performance hurdle.

The daily performance fees are added together and where the cumulative amount is positive, the amount will be accrued in the unit price of the Fund.

Where the cumulative daily performance fee balance is negative, no performance fee is accrued in the unit price. Where the cumulative daily performance fee balance is positive at the end of each half year, it is payable to Prime Value.

High water mark

Where the cumulative daily performance fee balance is negative at the end of a half year, this negative balance is carried forward as the starting balance for the next half year and must be offset before future performance fees become payable subject to the “reset” below.

Reset

Where the S&P/ASX Emerging Companies Accumulation Index at the end of a half year is below the index at any previous half year end, the negative performance fee balance is not carried forward as the starting balance for the next half year.

However, a performance fee will not accrue again until the unit price of the Prime Value SEC Fund is above the unit price at the end of the half year in which the last performance fee was collected, adjusted for any distributions paid since that date (Unit Price High Water Mark). In addition, during a period where the unit price reaches a Unit Price High Water Mark, performance fees accrued and payable will be based on the excess return above the Unit Price High Water Mark or the performance hurdle, whichever gives the lower performance fee.

5.2.7 *Further Information*

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

5.2.8 *Prime Value SIV Emerging Companies Protected Fund (Legacy Investment)*

Initially, Prime Value created the Prime Value SIV Emerging Companies Protect Fund (Prime Value SECP Fund) specifically for [S]IV investors seeking a lower risk investment alternative for the emerging companies’ component of their required investment.

The Prime Value SECP Fund is structured as a series of protected portfolios investing in a diversified portfolio of ASX listed securities with a market capitalisation of less than \$500m, whilst also providing price protection through a combination of bought put and sold call options to reduce the volatility of the investment. Each portfolio offered under the Prime Value SECP Fund is generally for a period of 5 years after the transaction date as confirmed by Prime Value.

However, due to a change in legislation and the closed nature of the fund, the Prime Value SIV Emerging Companies Protected Fund will not be considered for [S]IV holders who were ‘invited to apply’ for their visa after 1 July 2021.

Accordingly, the ACIF Prime Value SIV Emerging Companies Fund will invest any new investment capital received pursuant to this IM into the Prime Value SEC Fund.

As each portfolio held by the ACIF Prime Value SIV Emerging Companies Fund in the Prime Value SECP Fund reaches maturity and is compulsorily redeemed, the Fund expects to make a complete exit of the Prime Value SECP Fund in the future.

5.3 ACIF Balancing Investment Unit Class

Unit Class name	ACIF Balancing Investment Unit Class (ABIUC) will invest in a wholly owned sub-fund of the Fund, the ACIF Balancing Fund.
Sub-Fund Trustee	DHF Investment Managers Pty Ltd (DHFIM)
Sub-Fund Investment Manager	Australia China Investment Fund Pty Ltd (ACIF) For further details please see section 6.2.
Administration Manager	Vasco Fund Services Pty Limited (VFS)
Investment Strategy	ABIUC invests in the ACIF Balancing Fund which invests in a range of commercial real estate and infrastructure related investments that will be structured to comply with the [S]IV rules.
Investment Options	The Minimum Investment and Term will vary depending on the type of investor. Please refer to the relevant terms under Section 2 for further information.
Target Returns	In selecting/assessing investments for the ACIF Balancing Fund, the Investment Manager is targeting total returns of approximately 4.5% per annum (after all fees and expenses) over the minimum investment term. Please note that this is a target return only and not a forecast or a guaranteed return. Where possible, and in order to mitigate the potential risk of below target returns, the Investment Manager will seek to obtain guarantees in relation to the investments made.
Sub-Fund Trustee and Administration fees	DHFIM shall be paid \$10,000 per annum for acting as trustee of the ACIF Balancing Fund. VFS shall be paid \$11,940 per annum and for undertaking fund accounting and registry functions. The administration fee is subject to a 3% annual increase on 1 January each year.
Investment Manger Fees	The Investment Manager is entitled to a performance fee (inclusive of GST and net of RITC) of any returns in excess of 4.5% per annum after payment of all expenses of the ABIUC and at the discretion of the Investment Manager, after any previous under-performance has been provided. This fee is paid in arrears on a quarterly basis. The Investment Manager will also be remunerated through being paid establishment fees or referral fees by parties with which the ABIUC may deal and via the performance fee described above.

5.3.1 Key Features of the ACIF Balancing Fund

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

5.3.2 Investment Objective, Strategy and Potential Guarantee

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

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

Currently the ACIF Balancing Fund is invested in the ICAM Westpac House Investment Trust 1 (Westpac Trust), the ICAM ACIF Land Trust (ICAM ACIF Trust) and the ICAM ACIF Lucky Bay Trust 2. The Westpac Trust owns a 50% interest in the iconic office tower, Westpac House, located at 91 King William Street, Adelaide, South Australia 5000. The ICAM ACIF Trust owns land upon which the Wallaroo Port – a shallow harbour mixed-use agricultural port project on the western side of Yorke Peninsula, South Australia – has completed in 2023 and commenced operation for the 2023 grain season. The ICAM ACIF Lucky Bay Trust 2 owns key infrastructure assets in the Wallaroo Port, including the Wallaroo Port Facility, port storage silos, and upcountry grain bunker storage facilities.

5.3.3 Investment Process

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

The key steps in the investment process are:

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

- To the extent to which there are potential conflicts, the Investment Manager will consult with the DHFIM as trustee of the ACIF Balancing Fund to seek approval for the investment to proceed.
- After the investment has been entered into the Investment Manager will wherever possible work closely with the developer to enhance the value of the investment.

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

5.3.4 *Post-Acquisition Monitoring of Investment*

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

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

5.4 ACIF Balancing Investment Unit Class 2

Unit Class name	ACIF Balancing Investment Unit Class 2 (ABIUC2) will invest in a wholly owned sub-fund of the Fund, the ACIF Balancing Fund 2.
Sub-Fund Trustee	DHF Investment Services Pty Ltd (DHFIS)
Sub-Fund Investment Manager	Australia China Investment Fund Pty Ltd (ACIF) For further details please see section 6.2.
Administration Manager	Vasco Fund Services Pty Limited (VFS)
Investment Strategy	ABIUC2 invests in the ACIF Balancing Fund 2 which mainly invests in a range of Australian real property investments that will be structured to comply with the [S]IV rules. The ACIF Balancing Fund 2 may also invest in other Balancing Investments, subject to the discretion of the Trustee upon receipt of a detailed investment submission by the Sub-Fund Investment Manager.
Investment Options	The Minimum Investment and Term will vary depending on the type of investor. Please refer to the relevant terms under Section 2 for further information.
Target Returns	In selecting/assessing investments for the ACIF Balancing Fund 2, the Investment Manager is targeting total returns of approximately 4.5% per annum (after all fees and expenses) over the minimum investment term. Please note that this is a target return only and not a forecast or a guaranteed return. Where possible, and in order to mitigate the potential risk of below target returns, the Investment Manager will seek to obtain guarantees in relation to the investments made.
Sub-Fund Trustee and Administration fees	DHFIS shall be paid \$10,000 per annum for acting as trustee of the ACIF Balancing Fund 2. VFS shall be paid \$11,940 per annum and for undertaking fund accounting and registry functions. The administration fee is subject to a 3% annual increase on 1 January each year.
Investment Manger Fees	The Investment Manager is entitled to a performance fee (inclusive of GST and net of RITC) of any returns in excess of 4.5% per annum after payment of all expenses of the ABIUC2 and at the discretion of the Investment Manager, after any previous under-performance has been provided. This fee is paid in arrears on a quarterly basis. The Investment Manager will also be remunerated through being paid establishment fees or referral fees by parties with which the ABIUC2 may deal and via the performance fee described above.

5.4.1 *Key Features of the ACIF Balancing Fund 2*

- An Investment Manager with significant experience in the Australian property market.
- Access to CIF compliant Australian real property investment opportunities.
- The ACIF Balancing Fund 2 aims to provide investors the opportunity to receive quarterly returns through its investments.
- The ACIF Balancing Fund 2 is targeting a return of 4.5% per annum (after all fees and expenses) over the long term.

5.4.2 *Investment Objective, Strategy and Potential Guarantee*

The aim of the ACIF Balancing Fund 2 is to mainly invest in a range of CIF compliant Australian real property investments to produce an attractive return to investors. It is anticipated the investments will comprise of preferred equity or similar positions in commercial and infrastructure real estate projects and in all cases will be compliant under the CIF.

There are very limited circumstances in which investment in residential property can be a complying investment under the CIF. Therefore, the Balancing Investments will not include investment in residential real estate.

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

Subject to the Investment Manager conducting their due diligence to ensure SIV compliance, the ACIF Balancing Fund 2 may also invest in assets such as specialist bulk grain exporting facilities using trans-shipment technology, agricultural assets typically involving large automated green houses, large hotel and commercial buildings, and commercial power generation concentrating on renewable energy.

The ACIF Balancing Fund 2 may also invest in any other Balancing Investments: see Section 4.8 for further information. Allocations in any other Balancing Investments will be subject to the absolute discretion of the Trustee upon receipt of a detailed investment submission in accordance with the Investment Manager's investment policy.

5.4.3 *Investment Process*

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

The key steps in the investment process are:

- Origination of investment opportunities sourced through the comprehensive networks, extensive industry knowledge and contacts.
- Evaluation of investment opportunities involving the consideration of material matters in relation to the opportunity, the investment strategy and criteria of the ACIF Balancing Fund 2 and the construction of a detailed valuation and cash flow model.
- Development of indicative transaction terms which are subject to due diligence and relevant Investment Manager board approvals.
- Detailed due diligence will be conducted covering commercial, technical, tax and legal matters and using expert advisers as appropriate.

- Development of an investment proposal will be submitted to DHFIS setting out the reasons as to why the DHFIS as trustee of the ACIF Balancing Fund 2 should proceed with the investment.
- To the extent to which there are potential conflicts, the Investment Manager will consult with the DHFIS as trustee of the ACIF Balancing Fund 2 to seek approval for the investment to proceed.
- After the investment has been entered into the Investment Manager will wherever possible work closely with the developer to enhance the value of the investment.

The ACIF Balancing Fund 2's investment policy sets out the detailed process and procedures, in relation to such matters as accounting, taxation and custodial arrangements that will be carried out by the DHFIS as trustee of the ACIF Balancing Fund 2 and the Investment Manager in relation to the ongoing management and administration of the ACIF Balancing Fund 2.

5.4.3 Post-Acquisition Monitoring of Investment

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

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

5.5 Venture Capital or Private Equity Fund

Fund name	<p>The Vantage Private Equity Growth 5 (VPEG5) is available to Investors until the General Partner of the fund (Vantage Private Equity Management Partnership, LP) has determined the fund's final closing date. After the final close of VPEG5, Investors will have the opportunity to invest in Vantage Private Equity Growth 6 (VPEG6).</p> <p>Additional funds may be offered in the future.</p>
Investment Manager	<p>Vantage Private Equity Management Partnership, LP, an authorised representative (no. 001240630) of Vantage Asset Management Pty Limited (Vantage) (AFS licence no. 279186).</p>
Investment Strategy	<p>Investments in [S]IV complying high performing growth private equity funds.</p>
Fees of the VPEG Funds	<p>Vantage will receive the following fees:</p> <ul style="list-style-type: none"> • Management Fee of 1.25% p.a (plus GST) of the aggregate committed capital of the VPEG5 fund for the period up to the fourth anniversary of the Final Closing Date. Thereafter, the management fee is calculated as 1.25% per annum of the Net Asset Value of the VPEG5 fund. • Vantage is also entitled to Carried Interest distributions, calculated separately and payable out of the fund, of 10% (plus GST) of any outperformance above a hurdle rate of return equivalent to a 15% per annum IRR to Investors. Please refer to section 7 of the VPEG5 fund's Information Memorandum. <p>The management fee may be deducted from monies retained on the investor's behalf in the Vasco Cash Enhanced Fund.</p> <p>Further details of the fees payable are detailed in the VPEG5 Information Memorandum available from the Trustee or Vantage.</p>
Investment Manager Fees	<p>The Investment Manager shall receive a referral fee from Vantage of 2% of any funds invested in VPEG funds plus 0.5% per annum of funds invested for 4 years. This fee is payable by Vantage from the assets of VPEG funds.</p>

<p>Investment Process</p>	<p>In completing the Application Form, Investments from subclass 188C visa holders who were "invited to apply" <u>prior</u> to 1 July 2021 will be authorising the Trustee to hold \$500,000 of their investment amount in escrow for investment in the VPEG Funds, pursuant to an escrow agreement between the Trustee and Vantage. This amount will be invested in the Vasco Cash Enhanced Fund until called by Vantage for investment in the VPEG Funds.</p> <p>In completing the Application Form, Investments from subclass 188C visa holders who were "invited to apply" <u>after</u> 1 July 2021 will be authorising the Trustee to hold \$1,000,000 of their investment amount in escrow for investment in the VPEG Funds, pursuant to an escrow agreement between the Trustee and Vantage. This amount will be invested in the Vasco Cash Enhanced Fund until called by Vantage for investment in the VPEG Funds.</p> <p>In completing the Application Form, investments from subclass 188B visa holders who were "invited to apply" <u>after</u> 1 July 2021 will be authorising the Trustee to hold \$500,000 of their investment amount in escrow for investment in the VPEG Funds, pursuant to an escrow agreement between the Trustee and Vantage. This amount will be invested in the Vasco Cash Enhanced Fund until called by Vantage for investment in the VPEG Funds.</p> <p>The Application Form contains a power of attorney which will enable the Trustee to complete the relevant application forms for the Vasco Cash Enhanced Fund and VPEG Funds on your behalf.</p> <p>Your investment in the VPEG Funds does not form part of the Fund.</p>
<p>Investment Strategy</p>	<p>The Vasco Cash Enhanced Fund invests in bank deposits and term deposits with authorised banking institutions and floating rate notes listed on the ASX. Investors should refer to the Information Memorandum of the Vasco Cash Enhanced Fund for further details.</p> <p>Details of the investment strategy for VPEG5 is set out below.</p>
<p>Disclosure documents</p>	<p>The disclosure documents for both the Vasco Cash Enhanced Fund and the VPEG Funds are available by contacting the Trustee on +61 3 8352 7120. It is highly recommended that you read both disclosure documents in their entirety before investing in the Fund.</p>

5.5.1 Investment Manager

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

Vantage's current offering, Vantage Private Equity Growth 5, is an [S]IV complying, AusIndustry registered, Australian Fund of Funds and will follow the same successful investment strategy into growth private equity, as its predecessor funds Vantage Private Equity Growth Limited (**VPEG1**), Vantage Private Equity Growth 2 (**VPEG2**),

Vantage Private Equity Growth 3 (**VPEG3**), and Vantage Private Equity Growth 4 (**VPEG4**). Vantage Private Equity Growth 6 (**VPEG6**) is expected to be available to Investors for investment after the final close of VPEG5. The VPEG funds are a fund of funds investment strategy ultimately managed by Vantage Asset Management Pty Ltd focused exclusively on small to mid-market growth private equity.

5.5.2 *Key Features of the Fund*

- The VPEG Funds are AusIndustry registered [S]IV complying Australian Fund of Funds.
- The minimum investment for [S]IV applicants in the VPEG Funds is \$500,000 depending on the visa holder's visa subclass and conditions. Please refer to Investment Process above for more information.
- Vantage has engaged Vasco as the cash trust manager for the VPEG Funds' application monies. An escrow agreement exists between Vasco as trustee of the Vasco Cash Enhanced Fund and VPEG Funds to ensure all capital calls issued by the VPEG Funds are met.
- Once an application is received by either VPEG5 or VPEG6 and application monies are received by Vasco, a commitment with VPEG5 or VPEG6 will exist.
- While your investment is held in the Vasco Cash Enhanced Fund, all distributions from the Vasco Cash Enhanced Fund will be reinvested.
- The businesses invested in by the funds selected by Vantage typically have a strong market position and generate strong cash flows allowing Vantage to historically generate strong consistent returns to investors.
- A key factor in Vantage's investment strategy is risk minimization. This is obtained by diversification of underlying investments across a range of parameters including fund manager, geographic region and industry sector.

5.5.3 *Investment Objective and Strategy*

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

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

5.5.4 *Distributions & Reinvestment*

Distributions received from the divestment of each asset of the VPEG Funds is expected to be distributed to your nominated bank account on a pro-rata basis within 30 days of receipt, subject to the VPEG Funds retaining sufficient funds to meet its short term obligations.

Distributions received in this manner prior to the end of the 188B or 188C provisional visa period will need to be reinvestment in a CIF compliant fund in accordance with visa regulations.

It is expected that the Investment Manager of the Fund and Sub-Funds will reach out to you to facilitate the reinvestment process.

5.5.5 *Further Information*

Further information on VPEG5 and VPEG6 is available from the Vantage website at www.vantageasset.com or by calling +61 2 9061 3133.

6. Management of the Fund

6.1 The Trustee and Administration Manager

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

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

Some of the funds Vasco's executives have developed include the \$3 billion Australian Unity Healthcare Property Trust ARSN 092 755 318 and the \$1.5 billion AIMS Industrial REIT listed on the Singapore Securities Exchange.

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

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

As the Fund's trustee, Vasco Custodians 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 all decisions that it makes with respect to the Fund.

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

6.2 The Investment Manager

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

Australia China Investment Fund Pty Ltd was formed to bring together a team with business and investment expertise and experience in both China and Australia for the benefit of Investors wanting to invest in Australia and take advantage of the Significant Investor Visa program.

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

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

Directors of Australia China Investment Fund Pty Ltd include:

- **John Wang**

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

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

– **James Forbes**

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

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

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

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

– **David Thurgood**

David Thurgood is a Director and CFO of Australia China Investment Fund Pty Ltd. David has a wide range of experience as an accountant in both public practice and commerce. He has a detailed understanding of company structure, trusts and self-managed superannuation funds.

With more than 20 years of accounting and compliance experience, David has also developed substantial knowledge on maintaining share and managed fund investment portfolios and management of rental properties located in various capital cities of Australia.

6.3 Trustee of Sub-Funds

DHF Investment Managers Pty Ltd and DHF Investment Services Pty Ltd (**Sub-Fund Trustee**) are part the Vasco group of companies which provides responsible entity, trustee and fund administration services to Australian and international investment managers.

7. Summary of Major Terms

7.1 Summary of Terms

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

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

Each prospective Investor should consult with independent counsel regarding the matters set forth in this Memorandum, including the risks which are described in section 8, as well as any other legal, business, tax,

accounting, or other related matters relevant to an investment by such investor in the Fund in order to gain a full understanding of the Fund and the Offer.

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

The Fund	<p>The ACIF Prosperity Fund, a managed investment scheme structured as a unit trust and established under, and governed by, Australian law.</p> <p>The Fund has been established by and will be operated by the Trustee.</p>
The Investment Manager	<p>Australia China Investment Fund Pty Ltd has been appointed as the investment manager and will provide investment management services to the Fund and Sub-Funds.</p>
Administration Manager	<p>Vasco Fund Services Pty Limited will act as Administration Manager of the Fund and sub-Funds. The Administration Manager will be responsible for the administration of the Fund including registry, fund accounting, compliance and other activities.</p>
Trustee of Sub-Funds	<p>DHF Investment Managers Pty Ltd is the trustee of the sub-funds, ACIF Balancing Fund and ACIF Prime Value SIV Emerging Companies Fund.</p> <p>DHF Investment Services Pty Ltd is the trustee of the sub-fund, ACIF Balancing Fund 2.</p>
Offering size	<p>The Investment Manager is seeking to raise \$100 million. However, there is no minimum or maximum subscription level restriction on the amount that can be raised.</p>
Minimum commitment	<p>For [S]IV Investors, the minimum aggregate applications required to be made by an Investor will be either \$5,000,000 or \$2,500,000 depending on the investor's visa subclass, with either \$1,000,000 or \$500,000 of this investment amount not being invested in the Fund but held in escrow by the Trustee for investment in the VPEG Funds.</p> <p>Non-SIV Investors are only able to invest in ABIUC and ABIUC2 only and the minimum investment amount is \$500,000.</p>
Issue of Units	<p>Applications will ordinarily be processed at the end of the month and Units issued by the fifteenth business day of the month following receipt of the Application. The processing of Applications might be delayed if the Trustee is unable to calculate the Unit Price.</p>

<p>Unit Price</p>	<p>The price of a Unit will be calculated by reference to the underlying value of the Fund's assets in accordance with the terms of the Trust Deed.</p> <p>The withdrawal price for a Unit is also based on the underlying value of the Fund's assets. This price may be different from the price originally paid for the Unit.</p> <p>The Unit prices that will apply to your application will be the Unit prices determined by the Trustee on the last business day of the month during which your application is received by the Trustee. Where the Trustee is reliant on third party information to calculate the Unit Price this determination may be delayed until such time as the information is received.</p> <p>Unit prices for APVECUC Units, the ABIUC Units and the ABIUC2 Units are available at www.vascofm.com. However, the actual Unit prices applied might be different from the Unit prices shown on the website at the time your Application Form is lodged because the Unit price used will be the one set at the end of the calendar month following receipt of your application.</p>
<p>Unit Class</p>	<p>There are three classes of Units in the Fund:</p> <p>APVECUC Units: funds subscribed for APVECUC Units will be invested in the ACIF Prime Value SIV Emerging Companies Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Prime Value SIV Emerging Companies Fund.</p> <p>ABIUC Units: funds subscribed for ABIUC Units will be invested in the ACIF Balancing Fund and will only have a right to the income and capital received from the Fund's investment in the ACIF Balancing Fund.</p> <p>ABIUC2 Units: funds subscribed for ABIUC2 Units will be invested in the ACIF Balancing Fund 2 and will only have a right to the income and capital received from the Fund's investment in the ACIF Balancing Fund 2.</p>
<p>Distributions</p>	<p>Distributions of income (if any) are expected to be paid on a quarterly basis for the ABIUC and ABIUC2, and half-yearly for the APVECUC. Distributions are expected to be paid within 14 days of the receipt of income from investments held by the Trustee.</p> <p>Distributions are subject to the Trustee's discretion to pay distributions sooner and depending on the speed at which the underlying investments in which the Fund invests pay their distributions and calculate their unit prices.</p> <p>It is generally expected that where distributions are calculated on the last Business Day of each financial year, investors should allow up to 60 Business Days after the date which distributions are calculated to pay distributions to investors.</p> <p>The Trustee may decide not to distribute amounts which it reasonably considers necessary for operating or funding investments and to create, if it considers this to be in the Investors' best interests, appropriate reserves for the obligations and activities, as well as for any required tax withholdings. Taxes paid or withheld that</p>

	<p>are allocable to one or more Investors will be deemed to have been distributed to such Investors for the purposes of determining the above calculations.</p> <p>During the term of the Fund, where the Investment Manager considers that a certain reinvestment opportunity would increase the Fund's overall return, the Trustee may on advice from the Investment Manager reinvest the proceeds from the sale of assets, consistent with the Fund's Investment Guidelines from time to time.</p>
<p>Investment Management Fee</p>	<p>The Investment Manager will not charge any annual management fees for their role as investment manager of the Fund or sub-Funds.</p> <p>The Investment Manager will be remunerated through being paid:</p> <ul style="list-style-type: none"> • referral fees by the manager of the VPEG Funds and the Prime Value SEC Fund; • an establishment fee or referral fee by parties with which ABIUC or ABIUC2 may deal; and • performance fees and performance-based redemption fees as detailed earlier in this document.
<p>Trustee Fee</p>	<p>The Trustee has received an establishment fee of \$19,500 (plus GST) to establish the Fund.</p> <p>The costs associated with the establishment of the Fund will be borne by the Investment Manager. However, the Investment Manager may recover the costs of establishing the Fund from the assets of the Fund or Sub-Fund, subject to the Trustee's view on the Fund or Sub-Fund's ability to pay the costs.</p> <p>The Trustee is also entitled to receive an annual fee for acting as trustee of the Fund. This annual fee will be equal to the greater of:</p> <ul style="list-style-type: none"> • \$25,000 (plus GST); or • 0.10% (plus GST) per annum of the gross asset value of the Fund. <p>This fee will be paid monthly in arrears out of the assets of the Fund.</p> <p>DHF Investment Managers Pty Ltd is entitled to a fee of \$5,000 per annum for acting as trustee of the ACIF Prime Value SIV Emerging Companies Fund and \$10,000 per annum for acting as trustee of the ACIF Balancing Fund. DHF Investment Services Pty Ltd is entitled to a fee of \$10,000 per annum for acting as trustee for the ACIF Balancing Fund 2.</p> <p>The Investment Manager will pay all the fees and expenses of the APVECUC and the ACIF Prime Value Emerging Companies Fund.</p>
<p>Administration Fee</p>	<p>The Administration Manager will also be paid a base fee of up to \$29,851 (plus GST) per annum for acting as administration manager of the Fund, subject to an annual increase of 3% on the 1st of January each year.</p>

	<p>Vasco Fund Services Pty Limited is entitled to \$5,970 per annum for undertaking administration for the ACIF Prime Value SIV Emerging Companies Fund, \$11,940 for the ACIF Balancing Fund and \$11,940 for the ACIF Balancing Fund 2. These fees are subject to an annual increase of 3% on the 1st of January each year.</p> <p>The Investment Manager will pay all the fees and expenses of the APVECUC and the ACIF Prime Value Emerging Companies Fund.</p>
Offering and Organisational Expenses	<p>The Trustee will pay out of the assets of the Fund all legal, accounting, filing, travel and other out-of-pocket fees and expenses incurred in connection with establishing the Fund and the offering of interests therein.</p>
Other Expenses	<p>Except as specifically set forth elsewhere herein, the Trustee will pay, out of the assets of the Fund, all expenses related to its operation, including fees, costs, and expenses of the Fund, the Trustee and the Investment Manager (including travel and related expenses) incurred in connection with potential investments (including investments that are not consummated) and the acquisition, financing, holding, sale, proposed sale or valuation of any investment (including the repayment of such financings, the costs of establishing and maintaining any borrowing facility, the fees and expenses of the Trustee, all litigation-related and indemnification expenses, fees of auditors, fees of due diligence consultants (including, without limitation, financial, physical and environmental consultants) and counsel, administrative expenses, costs of holding Investor meetings, costs of preparation of tax returns and any taxes, fees or other governmental charges levied against the Trustee, in its capacity as trustee of the Fund.</p> <p>The Trustee will also pay all general overhead expenses, including the compensation of personnel of itself and the Investment Manager who act on its behalf relating to their duties and responsibilities from the assets of the Fund.</p>
Transfer of Interests	<p>Units may not be sold, transferred, pledged or assigned by an Investor without the prior written consent of the Trustee (which may be given or withheld in the Trustee's sole and absolute discretion and such discretion will be exercised in the best interest of the Investors). No trading market will exist for the units in the Fund.</p> <p>Notwithstanding the foregoing, but subject to requirements of applicable law and other conditions set forth in more detail in the Fund Agreement, the Trustee will not unreasonably withhold its consent to the transfer by an Investor of all or a portion of such Investor's units to any entity that is wholly owned by or under common ownership with such Investor.</p>
Withdrawal/ Redemption	<p>SIV investors who were "invited to apply" before 1 July 2021 may not withdraw any amount from the Fund until the expiration of 4 years from the first date of issuance of your Units.</p> <p>For [S]IV investors who were invited to apply after 1 July 2021, the minimum investment term is 5 years. Investment in the ACIF Prime Value SIV Emerging Company Units has a minimum investment term of 5 years.</p>

	<p>After the expiration of the initial four-year period (five-years for [S]IV investors who were "invited to apply" after 1 July 2021), Investors may submit a withdrawal request. However, the Trustee does not guarantee that the amount of cash available in the Fund will be sufficient for an Investor to withdraw all of their investment, plus the Trustee may consider it would be a material disadvantage to the Fund if some or all requests were met. You therefore may not be able to withdraw your investment when you need it. Withdrawal requests that can be satisfied will be done so within 60 days of receipt of requests. Only the proceeds from the realisation of assets of the ACIF Prime Value SIV Emerging Companies Fund will be used to satisfy withdrawal requests from APVECUC Investors, only assets of the ACIF Balancing Fund used to satisfy withdrawal requests from ABIUC Investors, and only assets of the ACIF Balancing Fund 2 used to satisfy withdrawal requests from ABIUC2 Investors.</p> <p>Investors should also note that their Units may be redeemed by the Trustee in certain circumstances specified in the Trust Deed, including if the Trustee determines, in its sole and absolute discretion that it would be in the best interests of Investors to do so.</p>
<p>Indemnification</p>	<p>The Trustee is entitled to be indemnified out of the Fund for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.</p> <p>The Investment Manager is similarly entitled to be indemnified by the Trustee (out of the assets of the Fund) for all claims, losses, liabilities, damages, costs and expenses ("Costs") incurred by them in relation to the performance of their role as Investment Manager. However, the Investment Manager is not entitled to be indemnified by the Trustee and will be liable to the Fund for any Costs arising as a result of their fraud, gross negligence, willful default or material breach of the agreement under which they are appointed.</p>
<p>Applications</p>	<p>Persons interested in investing in the Fund are required to complete and return to the Administration Manager the Application Forms and identity verification forms, copies of which will be made available to each prospective Investor. Applications may be rejected in whole or in part in the Trustee's sole discretion.</p>
<p>Amendments</p>	<p>The terms of the Trust Deed may be amended by the Trustee, subject to the Trustee's duties and obligations to Investors. The Trustee will not make any amendments to the Trust Deed that it considers would be materially adverse to Investors, without seeking the approval of Investors.</p>
<p>Investor Meetings</p>	<p>Investors holding at least 15% of the votes that may be cast on the resolution may call a meeting.</p>
<p>Reports</p>	<p>The Fund will furnish Investors with financial statements and tax information necessary for the completion of Investor tax returns on an annual basis. On a six-monthly basis, each Investor will be furnished with a summary report on the Fund's investments.</p>

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

8. Risks

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

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

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

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

8.1 Risks applicable to all investments in the Fund

8.1.1 *Visa risk*

Investment in the Fund may not be considered a complying significant investment and accordingly the Department of Home Affairs may not grant a Permanent visa under the Business Innovation and Investment Program or revoke an Investor's Provisional visa. Alternatively, the visa requirements may change during the life of the Fund and investments may no longer be considered complying significant investments. The Investment Manager has taken reasonable steps to ensure that it is making Complying Investment Framework compliant investments. However, Investors should seek independent legal advice to ensure that an investment in the Fund is a complying significant investment.

8.1.2 *Investment risk*

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

8.1.3 *Manager Risk*

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

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

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

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

8.1.4 Key personnel risk

The Trustee and Investment Manager both rely on a small number of professionals. If either of these people or any other key personnel from the Trustee or the Investment Manager resigned, or were terminated, a suitable replacement may not be achieved within a reasonable time frame, and any replacement would be subject to similar risks.

8.1.5 Legal, regulatory and compliance risk

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

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

8.1.6 Liquidity risk

The Fund is an illiquid investment.

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

In particular, there will be no withdrawal rights during the minimum investment term. Furthermore, if a withdrawal request is submitted, only the proceeds from the realisation of assets of the ACIF Prime Value SIV Emerging Companies Fund will be used to satisfy withdrawal requests from APVECUC Investors, only assets of the ACIF Balancing Fund will be used to satisfy withdrawal requests from ABIUC Investors and only assets of the ACIF Balancing Fund 2 will be used to satisfy withdrawal requests from ABIUC2 Investors. Those assets may be insufficient to satisfy withdrawal request in full or at all.

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

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

8.1.7 Information not complete or accurate

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

8.1.8 Tax risk

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

8.1.9 Value of unit risk

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

8.1.10 Operating history

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

The performance of the ABIUC Units and the ABIUC2 Units will depend on the Investment Manager's ability to carry out the proposed investment strategy successfully. While the principals of the Investment Manager have previous experience making and managing investments of the type contemplated by the ACIF Balancing Fund, there can be no assurance that the ACIF Balancing Fund's investments will achieve the targeted rate of return for the ABIUC and ABIUC2 of 4.5% per annum over the minimum investment term.

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

8.1.11 Fees and expenses

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

8.1.12 Currency risk

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

8.1.13 Thinly-capitalised management

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

the Investment Manager will have sufficient financial resources to cover any amounts payable under any such claim. The Fund is reserved to certain sophisticated investors who are required to be aware of the risks involved in an investment in property and who accept that they will have recourse only to the Fund's assets in existence at any given time.

8.1.14 *Cyber Security risk*

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

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

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

8.1.15 *Other risks*

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

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

8.2 **Risks applicable to Balancing Investments**

Balancing Investment made by ABIUC and ABIUC2 will be CIF compliant investments in Australian real property (Balancing Investments). The nature of the investment may be an equity position or other compliant structure.

8.2.1 *Diversification risk*

The Balancing Investments will be predominantly investing in Australian real property, and as such, it may not be diversified by sector or geography and the ABIUC and ABIUC2, and consequently the ABIUC and ABIUC2 Units, will be exposed to any events which have an adverse effect on the value of the underlying assets in the real estate sector.

8.2.2 *Documentation risk*

Legal risks may arise where contracts used by the ACIF Balancing Fund and ACIF Balancing Fund 2 to make an investment are found to be defective or unenforceable against counterparties. To manage this risk, the Trustee or Investment Manager will ensure that a reputable legal practitioner with professional indemnity insurance is engaged to prepare and finalise legal agreements.

8.2.3 *Underlying property risk*

There may be external influences from time-to-time, including unforeseen items of expenditure which have not been budgeted for and loss of revenue, which adversely affect the value of underlying property over which a security interest may be granted. These may result in a reduction of distributions and returns as well as the capital value of the underlying property.

8.2.4 *Market risk*

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

8.2.5 *Planning and development risk*

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

8.2.6 *Environmental, Social and Governance risks*

Land contamination, the presence of hazardous materials, asbestos or other contaminants may be found on the projects and have an adverse impact on the ABIUC and ABIUC2.

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

8.2.7 *Interest rate risk*

Fluctuations in market interest rates may impact ACIF Balancing Fund and ACIF Balancing Fund 2's investment. For example, rising market interest rates may increase a variable loan borrower's interest cost, making it more difficult to make regular payments.

8.2.8 *Return of Capital*

The return of capital and the realisation of gains, if any, generally will occur only upon the partial or complete repayment of the investment. Given the nature of the Balancing Investments, it is not expected that this will occur until at least 4 to 5 years after the initial Investment. Before such time, there will be no capital return on the Balancing Investments made by ACIF Balancing Fund and ACIF Balancing Fund 2. Investors should also note that Fund operating expenses, including annual management fees, may exceed income from investments and therefore requiring the difference to be paid from the Fund's assets.

8.2.9 *Valuation Risk*

This is the risk that valuation of a property over which a security interest is granted is inaccurate at the time of making the investment so that the amount realised on enforcement of a security interest is less than would have

been expected had the valuation been correct. There is also the risk that a valuer who provides an inaccurate valuation does not have or no longer has adequate professional indemnity insurance to cover the valuation on which the lender relies. In the event that the valuations obtained by purchasers to secure finance are below the purchase price, this may adversely impact their ability to settle.

8.2.10 *Conflicts of Interest Risks*

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

The Investment Manager is entitled to receive from parties with which the Sub-Fund invests and retain for its own purposes:

- referral fees by the manager of the VPEG Funds and the Prime Value SEC Fund as detailed in sections 5.5 and 5.2;
- an establishment fee or referral fee by parties with which ABIUC or ABIUC2 may deal as detailed in sections 5.3 and 5.4; and
- performance fees and performance-based redemption fees as detailed in sections 5.2 to 5.5.

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

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

8.3 **Risks applicable to APVECUC Units**

An investment in the APVECUC and ACIF Prime Value SIV Emerging Companies Fund is an indirect investment into the Prime Value SEC Fund and Prime Value SECP Fund (collectively, Prime Value Funds). As such, investors should also carefully consider the risks of investing in the Prime Value Funds as disclosed in its respective Information Memorandum when making the decision to invest in this unit class.

8.3.1 *Risks associated with any investment in listed equities*

The unit class is indirectly exposed to equities, being primarily equities listed on a recognised Australian stock exchange, predominantly the ASX, and the risk profile of an investment in the Unit Class is expected to be similar to the risk profile of an investment in emerging Australian equities. Over time, the performance of stock markets can rise and fall and, at times, substantial negative returns have been produced by investments in stock markets. Prime Value cannot assure investors of positive or superior returns in any financial year because the markets can take unexpected turns and the value of an investment may fluctuate accordingly.

8.3.2 *Small company risk*

Shares in small companies may trade less frequently and in smaller volume and may experience greater price volatility than larger companies.

8.3.3 *Illiquidity risk*

The risk that an investment may not be easily converted into cash with no loss of capital and minimum delay, because of either inadequate market depth or disruptions in the marketplace.

8.3.4 *Market risk*

The market price of listed equities in which the Prime Value SEC Fund will invest will be affected by numerous factors including changes in interest rates, exchange rates, inflation, market sentiment and the rate of growth of domestic and foreign economies. War between significant countries and acts of terrorism on a large scale can have a significant adverse direct and indirect effect on both the Australian and global stock markets. It is not possible to eliminate market risk, and many of the components of market risk cannot be controlled by Prime Value, the Investment Managers or the trustee of the Fund and Sub-Funds. The value of such listed equities in which the Prime Value SEC Fund invests will also be affected by the risks that may adversely affect the units in the Fund.

8.3.5 *Investing in a managed fund*

There are some risks inherent in the operation of a managed fund. These include that the Prime Value SEC Fund could terminate, or fees and expenses could change. The ability of the ACIF Prime Value SIV Emerging Companies Fund and the APVECUC to pay distributions is dependent upon the Prime Value SEC Fund having sufficient cash resources and distributable income.

8.3.6 *Changes in Government Policy and Taxation*

An investment in the Fund may be affected by changes in government policy and legislation in relation to taxation. Changes to the tax system may impact both the performance of companies in which the Prime Value SEC Fund invests and the manner in which income and capital profits (or losses) are treated.

8.3.7 *Portfolio risk*

Investing in a portfolio with a smaller number of investments (typically 25 to 50 stocks) may lead to more volatile returns than investing in an equity fund with a more diversified portfolio.

8.3.8 *Stock selection risk*

Performance may be lower than the return on the market due to poor investment decisions. This risk is reduced by the employment of a highly qualified, experienced and stable investment team, with a proven performance track record.

8.3.9 *Currency risk*

This is the risk that currency movements can adversely affect the Australian dollar earnings of companies the Prime Value SEC Fund invests in.

8.3.10 *Derivative risk*

Prime Value may make limited use of derivative investments such as options and futures for risk management purposes. The derivative may not move in exactly the same way as the underlying physical security (basis risk) and so may not provide exactly the same exposure. This may have an impact on the expected returns of the ACIF Prime Value SIV Emerging Companies Fund and the APVECUC.

8.3.11 *Force majeure events*

Force majeure generally refers to an event beyond a party's control, including acts of God, fire, flood, earthquakes, war, acts of terrorism, and labour strikes. A force majeure event may adversely affect the normal operations of financial markets, or the ability of Prime Value, the companies into which the Fund invests or counter-parties utilised by Prime Value.

8.4 Risks applicable to VCPEFs

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

8.4.1 *Deal flow*

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

8.4.2 *Venture Capital investment risks*

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

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

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

8.4.3 *No Public Market Risk*

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

In certain circumstances, as detailed in Section 8, of the VPEG5 Information Memorandum there is a risk that the General Partner may be prevented from satisfying redemption at the time the Investor is seeking to dispose of their partnership interests.

8.4.4 *Asset Class Inherent Risk*

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

8.4.5 *Competition*

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

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

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

9. Tax and Regulatory Considerations

The effect of tax and duty (often referred to as stamp duty) on investors is complex and Investing in the Fund is likely to have tax consequences.

Taxation and duty considerations and advice considered by the Trustee and Investment Manager in preparing this IM are subject to change or differing interpretations which could have a retrospective application resulting in different taxation and duty consequences.

The Trustee has not sought any ruling from relevant taxation or revenue authorities with respect to these considerations and advice, and there can be no assurance that relevant taxation or revenue authorities will not assert, or that a court will not sustain, a contrary position.

The below summary is only general in nature and is not, nor is it intended to be tax advice, and cannot be relied upon as such. Each Investor must take full and sole responsibility for the associated taxation implications arising from an investment in the Fund and any changes in those taxation implications during the term of their investment. It is highly recommended that Investors seek their own professional independent tax advice specific to their circumstances before investing in the Fund.

The summary is intended for Australian resident investors and generally applies to Investors who hold their investment for the purpose of realising a long-term return (that is, hold their investment on capital account for tax purposes). This summary does not consider the tax implications for those Investors who hold their investment in the Fund on revenue account, as an isolated investment made with profit making intent or as trading stock. It does not consider those investors who may be subject to special tax rules, such as financial institutions, insurance companies, partnership (except where expressly stated), tax exempt organisation or superannuation funds (except where expressly stated) or any Investors who are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

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

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

9.1 Fund Structure and Status

The Fund is an unlisted, unregistered Australian unit trust scheme that will invest in a diverse range of asset classes. The Fund structure is shown in section 5.

The Fund may also qualify for, and if it does, the Trustee may irrevocably choose to apply the Attribution MIT ('AMIT') rules. Eligibility for AMIT status will depend on satisfying the widely held and closely held thresholds for the Fund. This will ultimately depend on the nature and holdings of the Fund's investors.

If the Fund qualifies as an AMIT, the Trustee will assess whether or not it is in the interest of investors for the Fund to be an AMIT and be subject to the AMIT regime. The Trustee will provide further details to investors at the appropriate time.

9.2 Fund Income

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

An Investor's share of the taxable income of the Fund for each financial year (including reinvested income) forms part of their assessable income.

A portion of the Fund's distributed income may include non-assessable amounts. Certain non-assessable distributions to Investors will reduce the cost base of their Units in the Fund. This will be relevant when calculating the capital gain or loss (for capital gains tax purposes) on a subsequent withdrawal of Units.

This information will be detailed in the tax report sent to Investors annually.

9.3 Tax Treatment of Australian residents Investors

9.3.1 Dividends

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

9.3.2 Interest

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

9.3.3 Rental and other income

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

9.3.4 Capital gains from the disposal of shares and property

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

9.4 Tax Treatment of non-residents Investors

9.4.1 Dividends

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

- Foreign dividends distributed to non-resident investors should not be subject to Australian income tax on the basis that it is conduit foreign income.

9.4.2 *Interest*

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

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

- Non-residents are only subject to capital gains tax in Australia where the relevant asset is “taxable Australian property”. Broadly, this includes (but is not limited to), Australian real property such as land situated in Australia or an indirect interest in Australian real property, such as when a company owns land in Australia. No capital gains discount is available to non-resident investors. Each investor should seek tax advice as to whether they are subject to capital gains tax in Australia.
- Where a non-resident has made a capital gain in Australia in relation to taxable Australian property, a withholding tax amounting to 10% of the first element of the cost base of the asset may apply.
- Capital gains distributed to non-resident investors from disposal of shares in Australian companies which owns Australian land, should only be subject to Australian income tax where the shares held by the Fund and its associates (if any) comprise a direct participation interest of 10% or greater in the relevant companies. The direct participation interest is tested at the time of the disposal or throughout a 12-month period that began no earlier than 24 months before the disposal.
- Capital gains distributed to non-resident investors from disposal of direct property assets should be assessed in the hands of non-Australian investors at their relevant rates, subject to the availability of the managed investment trust (MIT) tax concession discussed below.

9.4.4 *Rental and other income*

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

9.4.5 *Investment into the VPEG Funds*

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

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

9.5 Stamp Duty

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

9.6 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.

9.7 Anti-Money Laundering Regulations

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

The Trustee may also need to obtain further information from you while you remain an Investor in the Fund.

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

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

9.8 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 and as required to do so.

9.9 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).

9.10 Automatic Exchange of Information (AEOI)

The Trustee intends to meet any requirements imposed on the Trustee or the Fund under Australian legislation designed to give effect to the AEOI regimes.

Australia's obligations under AEOI regimes include legislation designed to give effect to FATCA and CRS. As such, the Trustee may collect certain information from Investors; report payments made in respect of an investment, report details of certain investors to the ATO and retain information to meet record keeping requirements. It is recommended Investors consult with their tax adviser to discuss the impact of these AEOI regimes may have on them.

9.11 Foreign Investment Review Board (FIRB)

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

The Australian Government has established, under the FTA, related regulations and foreign investment policy, investment thresholds for foreign persons. Generally, the effect of these is that the acquisition of any asset (including shares in a company, instruments convertible into shares in a company and direct project equity) for a consideration of \$A252 million or less and, in the case of shares in a company, for the acquisition of 20% or less of the fully-diluted issued capital of the company will be approved automatically on a notification-only basis. However, other requirements apply in respect of residential real estate, vacant land and shares or units in companies or unit trusts that have 50% or more of the value of their assets in Australian urban land. Other requirements also apply to the acquisition of interests in developed commercial real estate.

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

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

10. Legal and Additional Information

10.1 Summary of important documents

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

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

10.2 Trust Deed

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

The Trust Deed provides for the issue of different classes of Units. The terms of those classes are set out in the Trust Deed and the terms of issue for the relevant class of Unit. There will be three classes of Units on issue in the Fund; the APVECUC Units which will only have rights to the income and capital of the ACIF Prime Value SIV Emerging Companies Fund, the ABIUC Units which will only have rights to the income and capital of the ACIF Balancing Fund, and the ABIUC2 Units which will only have rights to the income and capital of the ACIF Balancing Fund 2.

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.

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

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

10.3 Investment Management Agreement

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

The Investment Management Agreement sets out the Investment Manager's obligations to the Trustee and to the Fund and Sub-Funds. The agreement also contains the fees payable to the Manager for its services.

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

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

10.4 Administration Agreement

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

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

10.5 Distribution Agreement

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

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

1. An upfront fee equal to 2% of the amount of capital the Trustee sources for investment in VPEG5 or VPEG6.
2. An annual fee equal to 0.5% of the capital subscribed to either VPEG5 or VPEG6 that was sourced by the Trustee, payable for four years.

10.6 Escrow Agreement

The PE Manager, each separate investor and the Trustee will enter an escrow agreement in respect of the investors' \$1,000,000 or \$500,000 components to be invested into the VPEG Funds. The Trustee is appointed to act as escrow agent to hold that amount in the Vasco Cash Enhanced Fund, which is a cash management trust. Holding funds in this way pending investment into a venture capital fund is a feature of the rules under the Complying Investment Framework.

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

Any interest on the escrow amount will be reinvested.

10.7 Corporate Authorised Representative Agreement

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

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

10.8 Additional Information

Prior to making an investment into the Fund, prospective Investors will have the opportunity to ask questions and receive answers concerning the terms and conditions of this offering and to obtain any additional information that the Investment Manager may possess or can obtain without unreasonable effort or expense that is necessary to

verify the accuracy of the information furnished to such prospective investor. Any such questions should be directed to the Investment Manager. No other persons have been authorised to give information or to make any representations concerning this offering, and if given or made, such other information or representations must not be relied upon as having been authorised by the Investment Manager.

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

10.9 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 the Trustee of the Sub-Funds 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 of the Fund and Sub-Funds, and the Investment Manager are negotiated at arm's length as between the parties.

Transactions involving related parties of the Investment Manager

By making an investment in the Fund, Investors acknowledge that the Investment Manager provides investment management services for both the Fund and Sub-Funds.

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.

10.10 Privacy

The Application process requires you to provide personal information to the Trustee or any person engaged by the Trustee to process your Application.

The Trustee collects personal information so that it can process and administer any Application you make. Additionally, the Trustee collects this information in order to administer, manage and generally service your investment in the Fund. The Trustee also may collect personal information about you from third parties, such as the Investment Manager, Administrator Manager or other third-party service providers of the Trustee.

If you do not provide the personal information requested by the Trustee or provide incomplete or inaccurate information, the Trustee may not be able to accept or process your Application for an investment in the Fund or may be limited in the services or assistance the Trustee can provide with respect to the administration of any investment you subsequently make in the Fund.

The Trustee may disclose your personal information to organisations such as the Administration Manager, Investment Manager, any third party service provider it may engage to provide custody, administration, technology, auditing, mailing, printing or other services and our professional advisers (including legal and accounting firms, auditors, consultants and other advisers).

Such third parties may use and disclose your personal information for a purpose described in this Privacy Statement which may involve the transfer of your personal information outside of Australia (including to countries where there may be less stringent data protection laws) to process personal information on our behalf. Where this is the case, it may not be possible to ensure that the overseas recipient does not breach the Australian Privacy Principles ('APP') in relation to your personal information.

In providing us with your personal information, you consent to the possibility that your personal information may be transferred outside of Australia for processing and agree that APP 8.1 shall not apply to the disclosure, nor will the Trustee be liable under the *Privacy Act 1988* (Cth) ('Privacy Act') in the event that the recipient does not act consistently with the APPs.

The Trustee may also collect certain personal information from you and/or disclose your personal information to government or regulatory bodies where permitted or required to do so by law. For example, the Trustee may be required to collect and disclose certain information in order to comply with the identification and verification requirements imposed under the AML/CTF Act. For certain Investors, the Trustee may also be required to collect and disclose certain personal information to the ATO in order to comply with the FATCA.

If you notify the Trustee that you have a financial adviser, either on your Application Form or in writing (at a later date), you consent to the Trustee disclosing to that financial adviser details of your investment in the Fund and/or other related personal information.

The Trustee will take reasonable steps to ensure that the personal information about an Investor or other relevant person that it collects, uses or discloses is accurate, complete and up to date. You or another relevant person can request access to your personal information or a copy of the Trustee's Privacy Policy by telephone or writing to the Privacy Officer at:

The Privacy Officer

Vasco Custodians Pty Ltd

Level 4, 99 William Street

Melbourne VIC 3000

info@vascofm.com

+61 3 8352 7120

The Trustee's Privacy Policy is also available on its website at www.vascofm.com.

10.11 Consents

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

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

- DHF Investment Services Pty Ltd
- Vasco Fund Services Pty Limited

11. Definitions

ABIUC	ACIF Balancing Investment Unit Class.
ABIUC Units	Units in the class known as “ABIUC Units” issued subject to the ABIUC Unit Terms of Issue.
ABIUC2	ACIF Balancing Investment Unit Class 2.
ABIUC2 Units	Units in the class known as “ABIUC2 Units” issued subject to the ABIUC2 Unit Terms of Issue.
ACIF	Australia China Investment Fund Pty Ltd ACN 607 032 655.
ADI	Authorised deposit-taking institution.
Administration Manager	Vasco Fund Services Pty Limited ACN 610 512 331.
Application Form	The application form for an investment in the Fund, accompanying this Information Memorandum.
APVECUC	ACIF Prime Value SIV Emerging Companies Unit Class.
APVECUC Units	Units in the class known as “APVECUC Units” issued subject to the APVECUC Unit Terms of Issue.
ASIC	The Australian Securities and Investments Commission.
Balancing Investment	A balancing investment in accordance with section 10 of the Instrument.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Emerging Companies Investments	An investment in emerging companies in accordance with section 9 of the Instrument.
Fund Agreements	The Trust Deed and associated documents, whose provisions govern the Fund and Sub-Funds and set out the rights of unitholders and powers and duties of the Investment Manager, amongst other matters.
Instrument	Migration (IMMI 15/100: Complying Investments) Instrument 2015 as amended from time to time.

Investment Management Agreement	<p>The investment management agreement between the trustees of the Fund, ACIF Prime Value SIV Emerging Companies Fund, the ACIF Balancing Fund and the Investment Manager dated 26 April 2016.</p> <p>This defined term also includes a separate investment management agreement between the trustee of the ACIF Balancing Fund 2 and the Investment Manager dated 22 September 2023.</p>
Investment Manager	Australia China Investment Fund Pty Ltd ACN 607 032 655.
Investors	The investors in the Fund.
IV, SIV	Investor Visa, Significant Investor Visa.
Memorandum or IM	This information memorandum issued to provide certain information about the Fund to potential Fund Investors in connection with their consideration of an investment in the Fund.
Non-[S]IV Investors	Prospective or existing Investors who are not holders of a Provisional IV, SIV.
Offer	The offer to subscribe for units in the Fund as set out in this IM.
Permanent IV, SIV	Business Innovation and Investment (Permanent) Subclass 888 visa, in the Investor and Significant Investor stream.
Prime Value	Prime Value Asset Management Limited ACN 080 376 110.
Prime Value Funds	The Prime Value SEC Fund and, where relevant, the Prime Value SECP Fund.
Prime Value SEC Fund	The Prime Value SIV Emerging Companies Fund.
Prime Value SECP Fund	The Prime Value SIV Emerging Companies Protected Fund.
Provisional IV, SIV	Business Innovation and Investment (Provisional) Subclass 188 visa in the Investor and Significant Investor stream.
RITC	Reduced Input Tax Credit.
Sub-Funds	ACIF Prime Value SIV Emerging Companies Fund, ACIF Balancing Fund and ACIF Balancing Fund 2.
Trust Deed	The constitution for the Fund dated 14 April 2016, as amended from time to time.
Trustee	The trustee of the Fund, being Vasco as at the date of this Information Memorandum.

Vantage Asset Management	Vantage Asset Management Pty Ltd ACN 109 671 123 (AFSL 279186) being the general partner of Vantage Private Equity Management partnership, LP, the investment manager of the VCPEF.
Vasco	Vasco Custodians Pty Ltd ACN 644 232 539 (AFSL 530 682), being the Trustee of the Fund.
Vasco Cash Enhanced Fund	The Vasco Cash Enhanced Fund established by Vasco pursuant to a constitution dated 7 April 2016.
VCPEF	A venture capital or growth private equity investment in accordance with section 8 of the Instrument.
VFS	Vasco Fund Services Pty Limited ACN 610 512 331.
VPEG Funds	Vantage Private Equity Growth 5 and Vantage Private Equity Growth 6.

12. Application for Units

12.1 Applications for Units

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

A completed and lodged Application, together with payment of the relevant application monies should be returned to the Administration Manager at the address shown on the Application. This will constitute a binding and irrevocable application for the investment amount noted on the Application. If the Application is not completed correctly or if the payment of the application monies is for the wrong amount, it may still be treated as a valid Application at the sole discretion of the Trustee.

However, where the payment is for less than investment amount applied for, the Application will be deemed to be for the lower amount received, subject to the Minimum Investment of the Fund.

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

Vasco Funds Services Pty Ltd
Level 4, 99 William Street Melbourne, Victoria, 3000, Australia
T +61 3 8352 7120 F +61 3 8352 7199 E info@vascofm.com

All application money payments should be made as follows:

1. By cheque:

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

2. By electronic transfer:

Electronic transfers should be made to “Vasco Custodians Pty Ltd ATF ACIF Prosperity Fund” c/o Macquarie Bank – BSB: 182 512, Account Number: 964006324 and identified by the name of the person or entity making the transfer (including ACN or ABN) where applicable. The Macquarie Bank Swift Code is MACQAU2SXXX.

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

12.2 Unit allotment

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

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

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

12.3 Minimum investment

For SIV Investors who were 'invited to apply' for their visa prior 1 July 2021, the minimum investment amount is \$4,500,000 plus \$500,000 investment for VCPE investments.

For [S]IV Investors who were 'invited to apply' for their visa after 1 July 2021, the minimum investment in applying for units is \$4,000,000 or \$2,000,000 depending on the investor's visa subclass and conditions, plus \$1,000,000 or \$500,000 investment for VCPE investments depending on the investor's visa subclass and conditions.

Non-[S]IV Investors will only be able to solely invest in the ABIUC or ABIUC2. The minimum investment is \$500,000, subject to the discretion of the Trustee to accept a lower investment amount. The offer of subscription for Units in respect of the Offer is expressly restricted to wholesale clients as defined in the Corporations Act. However, the Trustee has discretion to accept applications from people who are not wholesale clients, provided these people are otherwise permitted by law to participate in the Offer.

By lodging an application for Units in respect of the Offer contained in this Memorandum, the prospective Investor declares and warrants to the Fund that they are and will remain a wholesale client as defined in the Corporations Act or are otherwise permitted by law to participate in the Offer. The Trustee has the discretion to accept applications of less than \$2,500,000 for IV investors and \$5,000,000 for SIV investors.

12.4 Power of attorney

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

Schedule- Offering legends

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

AUSTRALIA

This Memorandum may not be circulated or distributed and no offer for subscription or purchase of the units offered hereby, nor any invitation to subscribe for or buy such interests has been made or issued, directly or indirectly, in Australia, other than to prospective investors who are wholesale clients as defined in section 761G of the Corporations Act or are otherwise permitted by law to participate in the Offer in an offer exempt from the disclosure requirements of Part 7.9 of the Corporations Act.

Further, the units offered hereby may not be resold in Australia within a period of 12 months after the date of issue otherwise than by means of an offer exempt from the disclosure requirements of Part 7.9 of the Corporations Act.

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

CHINA

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

HONG KONG

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

Corporate Directory

Trustee of the ACIF Prosperity Fund

Vasco Custodians Pty Ltd
Level 4, 99 William Street
Melbourne Victoria 3000 Australia
Telephone 03 8352 7120

Administration Manager

Vasco Fund Services Pty Limited
Level 4, 99 William Street
Melbourne Victoria 3000 Australia
Telephone 03 8352 7120

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

DHF Investment Managers Pty Ltd
Level 4, 99 William Street
Melbourne Victoria 3000 Australia
Telephone 03 8352 7100

Trustee of ACIF Balancing Fund 2

DHF Investment Services Pty Ltd
Level 4, 99 William Street
Melbourne Victoria 3000 Australia
Telephone 03 8352 7100

Investment Manager

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

3101, Level 31, 100 Miller Street
North Sydney NSW 2060 Australia

Level 29, Tower 1, Jing An Kerry Centre 1515 Nanjing West Road
Jing An District Shanghai China 200040
Telephone 1300 008 882

Application Form



Use this application form if you wish to invest in:

ACIF Prosperity Fund

The Information Memorandum (**IM**) for the ACIF Prosperity Fund dated 10 October 2023 includes information about purchasing units in the ACIF Prosperity Fund (**Fund**). Any person who gives another person access to the application form must also give the person access to the IM and any incorporated information. You should read the IM and any incorporated information before completing this application form.

The trustee of the ACIF Prosperity Fund is Vasco Custodians Pty Ltd (**Vasco**) ACN 644 232 539 AFSL 530682. Vasco or a financial adviser who has provided an electronic copy of the IM and any incorporated information, will send you a paper copy of the IM and any incorporated information and application form free of charge if you so request.

Customer identification

If you are a new investor, you are also required to complete the relevant Customer Identification Form depending on what type of investor you are e.g. individual or super fund. The Customer Identification Forms are available on our website www.vascofm.com or by calling our Investor Services team on +61 3 8352 7120.

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

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

Important Information for Financial Advisers

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

If you are a financial adviser who has identified and verified the investor, by completing the Customer Identification Form together with Section 14 and the verification procedure and in consideration of Vasco accepting the investor's application:

- you agree to identify and verify all new investors, using the Customer Identification Form for identifying new investors
- you agree to retain a copy of the completed forms and all identification documents received from the investor in the investor's file for seven (7) years after the end of your relationship with the investor
- you agree to advise Vasco 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 form in full;
- for new investments, completed the relevant 'Identity Verification Form' available on our website www.vascofm.com;
- if paying via direct debit, completed section 9 ensuring ALL bank account signatories have signed;
- if paying via cheque, ensure cheque is made payable to 'Vasco Custodians Pty Ltd ATF ACIF Prosperity Fund' and attach it to this application form; and
- read the declaration and provided all relevant signatures and identification documents required for all signatories.

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.
- Cheque → make cheque payable to 'Vasco Custodians Pty Ltd ATF ACIF Prosperity Fund'.

ACIF Prosperity Fund	Initial investment
Total Investment Amount	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/> <input type="text"/>
ACIF Prosperity Fund - ABIUC Units	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/> <input type="text"/>
ACIF Prosperity Fund - ABIUC2 Units	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/> <input type="text"/>
ACIF Prosperity Fund - APVECUC Units	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/> <input type="text"/>
VCPEF	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/> <input type="text"/>

Please refer to the IM for the Minimum Investment amount applicable to your circumstances.

Please note, if you do not elect how your total investment amount will be allocated, then Vasco will allocate your investment amount in accordance with the terms of the IM.

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

Vasco Fund Services Pty Ltd Limited
 Level 4, 99 William Street
 Melbourne VIC 3000 Australia
 P +61 3 8352 7120 F +61 3 8352 7199

Direct Credit / EFT Instructions

Alternatively you can direct credit your application funds to:

Vasco Custodians Pty Ltd ATF ACIF Prosperity Fund
 Macquarie Bank
 BSB 182 512
 Account number 964 006 324

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

12. Declaration and applicant(s) signature(s)

Please read the declarations below before signing this form. The signatures required are detailed at the bottom of this form. I/We declare that:

- all details in this application and all documents provided are true and correct and I/we indemnify the Trustee of the Fund against any liabilities whatsoever arising from acting on any of the details or any future details provided by me/us in connection with this application;
- I/we have received a copy of the current IM and all information incorporated into the IM to which this application applies and have read them and agree to the terms contained in them and to be bound by the provisions of the current IM(including the incorporated information) and current Trust Deed (each as amended from time to time);
- I/we have legal power to invest in accordance with this application and have complied with all applicable laws in making this application;
- I/we have received and accepted this offer in Australia or Singapore;
- the details of my/our investment can be provided to the adviser group or adviser named at the end of this form or nominated by them by the means and in the format that they direct;
- if this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it);
- sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the company;
- I/we acknowledge that if Vasco reasonably believes an email or facsimile communication it receives is from me/us Vasco is entitled to rely on that email or facsimile communication and will not be liable for any loss it may suffer if it is later found the email or facsimile communication was fraudulent;
- unless alternative authority for signature is notified to and accepted by Vasco, the person/persons that signs/sign this form is/are able to operate the account on behalf of the company and bind the company for future transactions, including in respect of additional deposits and withdrawals, including withdrawals by telephone and fax;
- I/we acknowledge that I/we have read and understood the information under the heading 'Privacy policy' in the IM. I am/We are aware that until I/we inform Vasco otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading and I/we have consented to my/our financial adviser providing such further personal information to Vasco as is required or reasonably deemed necessary by Vasco under applicable law;
- I/we understand that if I/we fail to provide any information requested in this Application Form or do not agree to any of the possible use or disclosure of my/our information as detailed on the IM, my/our application may not be accepted by Vasco and we agree to release and indemnify Vasco in respect of any loss or liability arising from its inability to accept an application due to inadequate or incorrect details having been provided;
- I/we acknowledge that none of Vasco, or any other member of Vasco or any custodian or investment manager, guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution;
- I/we are bound by the Trust Deed and that an application for Units is binding and irrevocable;
- I/we are bound by the Trust Deed and acknowledge that an application for Units is binding and irrevocable;
- I/we have not relied on statements or representations made by anybody, other than those made in the IM;
- I/we agree and acknowledge no cooling off period applies and I/we have had the opportunity to seek independent professional advice on subscribing for Units;
- I/we agree and acknowledge Vasco is required to comply with the anti-money laundering laws in force in a number of jurisdictions (including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS)) and I/we must provide Vasco with such additional information or documentation as Vasco may request of me/us, otherwise my/our Application for Units may be refused, Units I/we hold may be compulsorily redeemed, and any disposal request by me/us may be delayed or refused and Vasco will not be liable for any loss arising as a result thereof;
- I/we agree to the Investment Manager of the Fund having read-only access to my/our online investor portal maintained by the Trustee/ Responsible Entity of the Fund and give this consent for the purposes of any privacy or other legislation and for other lawful purpose.
- I/we have provided a tax file number, and if not, I/we consent to Vasco withholding tax at the highest marginal tax rate plus the Medicare levy;
- I/we acknowledge and agree to having read and understood the risks of investing in the Fund as described in the IM and understand that the risks associated with the Fund's investments may result in lower than expected returns or the loss of my/our investment;
- I/we acknowledge that the Fund is not currently registered with the Australian Securities and Investments Commission, but may be at some future point in time. By investing in the Fund, I/we consent to the Fund being registered at some future point should the Trustee consider it appropriate. I/we also consent to registration taking place without the Trustee holding a meeting of Investors to approve the application for registration.

I/We also warrant and acknowledge that:

- All information contained in my/our Application is true and correct;
- I/we are not a Politically Exposed Person (PEP) as defined by the AML/CTF legislation;
- I/we are a "wholesale client" for the purposes of section 761G of the Corporations Act and, if residing in Singapore, an "accredited investor" or certain other person prescribed under s305 of the Securities and Futures Act and relevant information has been provided to confirm this and by investing in this Fund I/we will not cause any breach of the Corporations Act by or for Vasco;
- if the Applicant is a SMSF, it is compliant and investing in this Fund complies with the Superannuation Industry Supervision Act 1993 (Cth); and
- I/we hold the appropriate authorisations to become an Investor in the Fund and that offer cannot be revoked.
- I/we are applying for Units in the Fund on a commitment basis, and accept liability for losses incurred by the Fund or the Trustee should I/we fail to uphold my commitment to meet any capital calls.

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

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

Investor 1 / Signatory 1

Signature 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.

14. Adviser Information

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

Office name

Surname

Given name(s)

Title (Mr/Mrs/Miss/Ms)

Phone (business hours)

Adviser group e mail

Adviser group

Adviser group AFSL

Adviser Signature Date / /



Important notes

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

Signatories

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

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

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

** This is not required in some circumstances.