

ACT-S Capital Fund

ARSN 677 329 207

Product Disclosure Statement

23 July 2024

Responsible Entity

Vasco Trustees Limited
ACN 138 715 009 | AFSL No. 344486

Investment Manager

ACT-S Management Pty Ltd
ACN 674 792 244

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IMPORTANT INFORMATION

This Product Disclosure Statement (PDS) is dated 23 July 2024.

This PDS details the features, benefits, risks and general information about the ACT-S Capital Fund ARSN 677 329 207(**Fund**).

The Responsible Entity for the Fund and issuer of this PDS is Vasco Trustees Limited ACN 138 715 009 AFSL 344486 (**Responsible Entity**).

The Responsible Entity has appointed ACT-S Management Pty Ltd ACN 674 792 244 (**Investment Manager**) as the investment manager of the Fund.

The Investment Manager is a corporate authorised representative 001309563) of DHF Investment Managers Pty Ltd ACN 607 120 570 AFSL 509932 (**DHFIM**). The Investment Manager has been authorised by DHFIM only to provide the financial services required in its role as investment manager of the Fund and not in relation to any other fund or financial services.

The Responsible Entity has appointed Perpetual Corporate Trust Limited ACN 000 341 533 AFSL 392673 (**Perpetual Corporate Trust** or **Custodian**) as the Fund's custodian.

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

By investing under this PDS, the Investor agrees to be bound by the terms and conditions set out in this PDS and the Constitution.

Questions

Any questions regarding this PDS should be directed to either

- the Investment Manager on +61 437 741 909 or at hello@actsecurities.com.au or Level 1, 173 Gladstone Street, Fyshwick ACT 2609; or
- the Responsible Entity on +61 3 8352 7120 or at info@vascofm.com or at Level 4, 99 William Street, Melbourne VIC 3000.

Images

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

Updated information

Information in this PDS may change. Updated information that is not considered materially adverse to Investors is subject to change from time to time and will be made available on the Responsible Entity's website. In accordance with the Responsible Entity's obligations under the Corporations Act, the Responsible Entity may issue a replacement or supplementary PDS published on the Responsible Entity's website at www.vascofm.com. You can also find this information on the Investment Manager's website at www.actsecurities.com.au. You should read any replacement or supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

ASIC

ASIC takes no responsibility for the contents of this PDS.

Restrictions on distribution

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

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

Investors from Singapore

With respect to Singaporean jurisdiction, this PDS has been prepared on the basis that prospective Investors are also accredited investors or certain other persons prescribed under section 305 of the Singapore Securities and Futures Act 2001. Further, this PDS 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.

Target Market Determination

A Target Market Determination (**TMD**) for the Fund has been issued by the Responsible Entity and is available at the Responsible Entity's website www.vascofm.com.

A TMD sets out a class of consumers (being prospective Investors), for whom the product (being an investment in the Fund), including its key attributes, would likely be consistent with their likely objectives, financial situation, and needs. The TMD additionally outlines the distribution conditions and information related to review and monitoring as well as certain other information.

Prospective Investors should consider and read the TMD carefully prior to making any investment decision in relation to the Fund.

Not regulated by APRA

The Responsible Entity is not authorised under the Banking Act 1959 and is not supervised by the Australian Prudential Regulation Authority (APRA), and investments in the Fund are not covered by the deposit or protection provisions available to depositors that make a deposit with an Australian authorised deposit-taking institution (ADI).

IMPORTANT WARNING STATEMENTS

No performance guarantees

None of the Investment Manager, the Responsible Entity, 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 Responsible Entity or Investment Manager and their advisers or that the Fund's investment objectives will be achieved.

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

An investment in the Fund does not represent a deposit with, or a liability of, the Investment Manager, the Responsible Entity, 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 PDS, 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 ADI.

Should it be required to protect investments in the Fund, the Responsible Entity may use its discretion to delay or suspend withdrawals from the Fund.

Investors should refer to Section 5 under the heading "How to withdraw" for details of the withdrawal rights.

General advice warning

Information contained in this PDS has been provided to prospective Investors to assist them to make an assessment of whether or not to invest in the Fund.

The information contained in this PDS is general information only and not personal financial product advice and therefore does not take into account the individual objectives, financial situation, needs or circumstances of Investors.

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

Prospective Investors should read this PDS in its entirety and seek independent professional advice specific to your circumstances and requirements from a licensed investment advisor as to the financial, taxation and other implications of investing in the Fund and the information contained in this PDS before making a decision to invest.

No representation other than this PDS

Except where expressly disclosed, the information contained in the PDS has not been independently verified or audited.

No person is authorised to give any information or to make any representation in connection with the Offer described in this PDS, which is not in this PDS. This PDS supersedes any prior PDS or marketing materials given prior to the issue of the PDS to the extent of any inconsistency. Any information or representation in relation to

the Offer described in this PDS not contained in this PDS may not be relied upon as having been authorised by the Responsible Entity, the Investment Manager or their advisers.

Responsible Entity limitation of liability

Except in certain circumstances (including fraud, gross negligence or default by the Responsible Entity), the Responsible Entity enters into transactions for the Fund in its capacity as responsible entity of the Fund only, not in its own capacity, and its liability in relation to those transactions is limited to the assets of the Fund.

Forward looking statements

Certain information contained in this PDS 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 PDS, 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 PDS 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 Responsible Entity 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 PDS are forward-looking statements and subject to this disclaimer.

Summary of key documents only

This PDS 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 Responsible Entity without charge). Investments in the Fund are governed by the Constitution and associated documents and, unless expressly stated in this PDS, nothing in this PDS limits or qualifies the powers and discretions conferred upon the Responsible Entity and the Investment Manager under those documents. This PDS should be read in conjunction with the Constitution and associated documents for the Fund. In the event of any inconsistency between the Constitution and associated documents and this PDS, then the Constitution and associated documents will prevail to the extent of the inconsistency.

Letter from the Investment Manager

Dear Investor

We are pleased to invite you to consider investing in the ACT-S Capital Fund (**Fund**).

ACT-S Management Pty Ltd (**ACT-S** and **Investment Manager**) is an investment manager whose management team specialises in property development, particularly in environmental and sustainable property development.

Our focus for the Fund is on incorporating researched environmentally friendly building design into property developments acquired for the Fund, to maximise the price per square metre and profitability, providing what we believe to be a unique product offering in the Australian market. By incorporating what we believe are our design points of difference (see Section 2.6) into property developments, we aim to secure a sustainable competitive advantage within the construction and development industry and lower cost entries and enhance high price exit opportunities for Investors. The opportunity for Investors is to invest in a Fund that has an environmental focus in their investment strategies (see Section 2.5).

The Fund's responsible entity is Vasco Trustees Limited. The Responsible Entity is part of the Vasco Group, an investment services 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).

We recommend you read this Product Disclosure Statement (especially Section 8 entitled "Risks") before making a decision to invest in the Fund and consult a suitably qualified professional adviser to ensure that an investment in the Fund suits your individual requirements.

On behalf of ACT-S, we look forward to your participation with us in this investment opportunity.

Regards

Giuseppe Cirillo, Aleksandar Trpeski and Naum Angeloski

Directors

ACT-S Management Pty Ltd

1. Key Features of the Fund

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

Key feature	Summary	Details (Section)
Roles and Responsibilities		
Investment Manager	ACT-S Management Pty Ltd	7.1
Responsible Entity	Vasco Trustees Limited	7.2
Custodian	Perpetual Corporate Trust Limited	7.3
Administration Manager	Vasco Fund Services Pty Limited	7.4
Auditor	Grant Thornton Audit Pty Ltd	7.5
Investment Strategy and Offer Terms		
Investment Strategy (Overview)	The core investment strategy of this Fund is to primarily invest in property development projects that take into account ESG considerations where it would be a benefit to the final revenue and value of the Fund (as further described in Sections 2.1 and 2.5). The Fund may also own some passive income generating real estate, listed REITs and deposit products for cash flow and liquidity purposes.	2
ASIC Benchmark and Disclosure Principles	The Australian Securities & Investments Commission (ASIC) requires responsible entities of unlisted property schemes in which retail investors invest to provide a statement addressing ASIC's six benchmarks and eight disclosure principles as set out in 'Regulatory Guide 46: Unlisted property schemes – Improving disclosure for retail investors' (RG 46). These benchmarks and disclosure principles aim to help retail investors compare risks, assess the rewards being offered and decide whether the investments are suitable to them. Please see Section 3 for an outline of the Fund's compliance with these benchmarks and principles.	3
Target Market Determination	A TMD has been prepared for the Fund and has been made available at the Responsible Entity's website, www.vascofm.com . A prospective Investor should consider and read the TMD carefully prior to making any investment decision in relation to the Fund.	11.2
Fund Structure	The Fund is an open-ended unlisted registered managed investment scheme established by the Responsible Entity pursuant to the Constitution and is governed by Australian law. The Fund provides Investors an opportunity to acquire Units in the Fund which entitles them to returns generated by the Fund. The Fund aims to generate these returns primarily by investing into property developments via special purpose vehicles (SPVs) that are controlled by the Fund.	3
Target Return	The Investment Manager is targeting a return to Investors of 11% pre-tax (after fees and expenses) per annum after the third year of the Fund based on a rolling 3-year average. This is a target return only and is not a forecast or a guaranteed return.	-
Minimum Term	There is a Minimum Term of 3 years from the date of issue of an Investor's Units before Investors can participate in any withdrawal offers made by the Responsible Entity. Any subsequent issue of Units to an Investor will trigger a new Minimum Term for those Units before the Investor can request to withdraw from the Fund in respect of those Units (provided the Fund is liquid). The Responsible Entity retains the discretion to allow Investors to participate in withdrawal offers prior to the end of their Minimum Term.	5.2

	The Investment Manager encourages Investors to invest for a minimum of 5-7 years. However, withdrawals will be made available on a yearly basis subject to liquidity and the discretion of the Responsible Entity.	
Minimum Application Amount	The minimum application amount for an initial Application by an Investor is \$20,000, comprising an investment amount of \$19,340 and a contribution fee of 3.30% of application monies. The minimum application amount for any subsequent Application by an Investor is \$20,000, comprising an investment amount of \$19,340 and a contribution fee of 3.30%. The Responsible Entity reserves the right to accept Applications for lesser amounts in its absolute discretion. If the Investment Manager waives all or part of its contribution fee, the balance of the investment amount will increase by the amount of the contribution fee waived.	5.1
Applications	Applications can be made by completing the Application Form attached to this PDS or applied through an online portal accessible through the Investment Manager and the Responsible Entity. Applications received during each calendar month that are accepted are expected to be processed within 10 Business Days of the end of that month.	5.1 and 6.2
Distribution of Income	The Responsible Entity intends to calculate distributions of income at the end of each financial year after the financial accounts have been finalised. To the extent the Fund carries on any property development activities, it is expected to be a trading trust for tax purposes in the given tax year, with distributions likely take the form of dividends which are expected to be fully franked. (see Section 10 on taxation). Any distributions are at the discretion of the Responsible Entity. The Responsible Entity does not expect to make any distributions in the first three years of the Fund. If the Responsible Entity does make a distribution they should be paid within 20 Business Days after the finalisation of the annual financial accounts of the Fund. An Investor's distribution entitlement will be calculated based on the number of Units held by the Investor at close of business on the distribution calculation date.	6.3
Withdrawals	Investors do not have any right to withdrawal from the Fund. Withdrawal terms apply and are subject to the liquidity of the Fund and at the discretion of the Responsible Entity. While the Fund is not liquid, Investors may only make a Withdrawal Request in accordance with the terms of any withdrawal offer made by the Responsible Entity and in compliance with the provisions of the Corporations Act regulating offers of that kind. If there is no withdrawal offer open, an Investor does not have a right to make a Withdrawal Request. However, the Responsible Entity intends to offer Investors the opportunity to withdraw from the Fund (in respect of Units they have held for the relevant 3-year Minimum Term) at the end of each financial year. The amount available to meet withdrawal requests for the year will be up to 2.5% of the net asset value of the Fund, as calculated in accordance with the Constitution as at the last Business Day before the withdrawals are processed. While the Fund is liquid, Investors may only generally make a Withdrawal Request (in respect of Units they have held for the relevant 3-year Minimum Term). However, the Responsible Entity has no obligation to give effect to a Withdrawal Request. Investors wishing to participate in withdrawals need to submit their Withdrawal Requests by 4pm on the last Business Day of the relevant withdrawal offer period. Proceeds from accepted Withdrawal Requests are generally paid within 21 days of the last Business Day of the relevant period.	5.2

ASIC Benchmarks and Disclosure Principles

Below is a summary of the Responsible Entity's statements in respect of each of the benchmarks and disclosure principles in RG 46. More detail for each is provided in Section 3 of this PDS

<p>Benchmarks and related Disclosure Principles (Summary)</p>	<p>Benchmark 1: Gearing Policy, Disclosure Principle 1: Gearing Ratio and Disclosure Principle 3: Scheme Borrowing</p> <p><i>Yes – The Fund meets the benchmark</i></p> <p>The Responsible Entity maintains a written 'Gearing and Interest Cover Policy' which the Fund complies with, available on request by contacting the Responsible Entity. The Fund does not currently have any borrowings. It is intended that funds will be borrowed from Australian banks or other reputable credit providers at the relevant SPV level.</p> <p>Benchmark 2: Interest Cover Policy, Benchmark 3: Interest Capitalisation and Disclosure Principle 2: Interest Cover Ratio</p> <p><i>Yes – The Fund meets the benchmarks</i></p> <p>The Responsible Entity maintains a written 'Gearing and Interest Cover Policy' which the Fund complies with, available on request by contacting the Responsible Entity.</p> <p>Benchmark 4: Valuation Policy</p> <p><i>Yes – The Fund meets the benchmark</i></p> <p>The Responsible Entity maintains a written 'Valuation Policy' that complies with RG 46, available on request by contacting the Responsible Entity. See Section 2.7 for more information about this policy.</p> <p>Benchmark 5 and Disclosure Principle 5: Related Party Transactions</p> <p><i>Yes – The Fund meets the benchmark</i></p> <p>The Responsible Entity maintains and complies with a related party transaction policy that provides a framework for the review of the terms of all related party transactions. The policies and procedures are in place to mitigate the risk of any actual or perceived conflict of interest, including as a result of a related party transaction. See Section 8.15 and Disclosure Principle 5 in Section 3.2 below for information about the related party disclosures for this PDS.</p> <p>Benchmark 6 and Disclosure Principle 6: Distribution Practices</p> <p><i>Yes – The Fund meets the benchmark</i></p> <p>Any distributions are at the discretion of the Responsible Entity. The Responsible Entity does not expect to make any distributions in the first three years of the Fund. Any distributions will be sourced from available cash from operations (excluding borrowings) and will not be sourced from unrealised capital gains. Such cash may be generated from sources including, for example, out of the profits of sold completed development properties, rental income from non-development properties and income from listed REITs and deposit product investments.</p>	<p>3</p>
<p>Other Disclosure Principles (Summary)</p>	<p>Disclosure Principle 4: Portfolio Diversification</p> <p>As at the date of this PDS, the Fund holds no direct property investments. Please refer to the Investment Manager's investment strategy in Section 2 for more information about the Investment Manager's intended approach to portfolio diversification.</p> <p>Disclosure Principle 7: Withdrawal Arrangements</p> <p>Investors should treat the Fund as "illiquid" with no automatic right of withdrawal of Units. Withdrawal terms apply and are subject to the liquidity of the Fund and at the discretion of the Responsible Entity. While the Fund is liquid, Investors will generally only be able to submit Withdrawal Requests after having held their relevant Units for the relevant 3-year Minimum Term. The Responsible Entity has no obligation to give effect to a Withdrawal Request.</p> <p>Disclosure Principle 8: Net Tangible Assets</p> <p>The disclosure principle does not apply to this Fund as it only applies to closed-end schemes and this Fund is an open-ended scheme.</p>	<p>3</p>

Fees and costs		
<i>All fees outlined below are inclusive of GST and net of input tax credits.</i>		
Responsible Entity fees	<p>The Responsible Entity is entitled to receive an ongoing annual fee, paid monthly in arrears, of:</p> <ul style="list-style-type: none"> 0.31% per annum of the gross asset value (GAV) of the Fund up to \$100 million, plus 0.21% per annum of the GAV of the Fund over \$100 million and less than \$200 million, plus 0.10% per annum of the GAV of the Fund over \$200 million. <p>These fees are subject to a minimum fee of \$62,700 per annum for the first year then \$74,979 the second year (subject to an increase each successive year of 2.5% on 1 January of that year) and commencing on the execution of the Constitution.</p> <p>The Responsible Entity fees form part of the management fees and costs of the Fund as detailed in Section 9. The Responsible Entity is also entitled to certain other fees as outlined further in Section 9.</p>	9
Investment Manager fees	<p>The Investment Manager is entitled to an ongoing investment management fee of 1.67% per annum of the GAV of the Fund, paid monthly in arrears.</p> <p>These fees form part of the management fees and costs of the Fund as detailed in Section 9.</p>	9
Contribution fee	<p>The Investment Manager is also entitled to a contribution fee of 3.30% of the application monies for each successful Application. This contribution fee is to help cover the Investment Manager's costs of using a product distributor service. The Responsible Entity will deduct this contribution fee from an Applicant's application monies at the time Units are issued to the Applicant for the balance of the application monies (after deduction of the contribution fee) and pay it to the Investment Manager. As an example, if a successful Applicant has paid the minimum application amount of \$20,000 and the Issue Price for Units the subject of that Applicant's Application is \$1.00 per Unit, the contribution fee of \$660 will be deducted from the \$20,000 and the Applicant will be issued with 19,340 Units (being the balance application monies after the contribution fee is deducted). The Investment Manager may waive or reimburse the contribution fee for a direct Applicant who is not introduced to the Fund via a product distributor service. Where the contribution fee is waived, the balance of the investment amount will increase by the amount of the contribution fee waived.</p>	
Exit fee	<p>There will be no fee to exit the Fund.</p>	
Performance fees	<p>Performance fees payable to the Investment Manager will be deducted from the Fund in relation to the performance of the Fund. These fees will be 22.55% of the returns that exceed the Fund's target return benchmark of 11% per annum pre-tax (after fees and expenses). The performance fees will be calculated on a rolling 3-year basis based on valuations that the Fund records on a yearly basis. These valuations are reflected in the Unit Price. These fees, if payable, will be paid annually from the third year of the Fund.</p>	9
Transaction costs	<p><u>General Transaction Costs</u></p> <p>These costs are payable when incurred from the Fund's assets. The figure of 0.38% is an estimation of costs associated with the investments. These costs include but are not limited to valuations, legal costs, stamp duty, quantity surveyors' reports, engineering reports and other consultant reports.</p> <p><u>Land Acquisition Fee & Sale Arrangement Fee</u></p> <p>These fees are associated with the property asset acquisition work and preparation of sale work that the Investment Manager does for the Fund. These fees are estimated to be 1.84% of the overall acquisition or sale value of each property asset.</p> <p><u>Debt Arrangement Fee</u></p> <p>A fee of 0.40% will be payable on the value of the debt arranged by the Investment Manager whenever the Investment Manager has successfully arranged a debt facility for purchase or construction of a property asset for the Fund.</p>	9

<p>Buy or sell spread</p>	<p>A buy spread and sell spread will apply to the Issue Price and Withdrawal Price of Units in addition to the Unit Price, to part represent the costs associated with the purchase and sale of assets and to ensure Investors are treated equitably on entry and exit.</p> <p>As at the date of this PDS, there is no buy spread or sell spread.</p> <p>However, following the Fund's first property asset purchase, a 2% buy spread will be applied to the Unit Price and a 2% sell spread will be applied to the Unit Price. This is to contribute to the costs of acquiring a property (such as stamp duty) and selling costs.</p> <p>Buy and sell spreads may be updated from time to time and will be published online at www.vascofm.com</p>	<p>9</p>
<p>Expenses</p>	<p>The Responsible Entity has the right to be reimbursed for expenses incurred by it in the proper performance of its duties in respect of the Fund.</p> <p>These are the costs incurred in the establishment and operation of the Fund, including fees payable to the Investment Manager, Custodian, Administration Manager and Auditor, incidental expenses of the Investment Manager and also other administrative expenses such as accounting and legal advice, insurances, consulting fees, costs relating to Investor meetings and registry fees. The expenses form part of the management fees and costs as disclosed in Section 9.</p> <p>These expenses will vary from year to year, but are estimated to be 0.52% per annum of the GAV of the Fund for the first financial year of the Fund.</p>	<p>9</p>
<p>Cooling-off periods, taxation; and risks</p>		
<p>Cooling-off period</p>	<p>A cooling off period of 14 days applies to investments in the Fund by retail clients, unless the Fund is not "liquid" for the purposes of the Corporations Act at the time of an Investor's application.</p>	<p>11.3</p>
<p>Taxation</p>	<p>The effect of tax and stamp duty on Investors is complex and investing in the Fund is likely to have tax consequences. Section 10 of this PDS provides a general outline of some taxation considerations, including stamp duty and land tax.</p> <p>The Investment Manager intends to minimise the prospect of duty being payable by Investors on the issue, transfer or withdrawal of Units. However, as the Fund will acquire and hold interests in land, there is no guarantee that this intention will be realised and characterisation and circumstances of the Fund from a duty perspective may change without notice, such that stamp duty is payable by Investors.</p> <p>Investors should seek their own professional independent tax advice specific to their own circumstances before investing in the Fund.</p>	<p>10</p>
<p>Risks</p>	<p>All investments involve varying degrees of risk.</p> <p>While there are many factors that may impact on the performance of any investment, Section 8 summarises some of the major risks that prospective Investors should be aware of before investing in the Fund.</p> <p>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. Prospective Investors should also consider and take into account the level of risk with which they are comfortable, the level of returns they require, as well as their frequency and nature, and their investment time horizon. Prospective Investors should seek professional advice in setting their investment objectives and strategies.</p>	<p>8</p>

2. Investment Strategy

2.1. Overview

The Fund, as an initiative of the Investment Manager, has a strong mandate to primarily deliver property developments that align with the Fund's ESG considerations (See Section 2.5) and is driven by the Fund's design points of difference (See Section 2.6) which are encapsulated in the construction and conversion process. The Fund's unique sustainable advantage is that the Investment Manager's personnel have devoted in aggregate over 15 years of time and research into sustainable building practices that lower construction costs, including in terms of labour, while improving the value proposition of the end/final product to a purchaser or renter.

The Fund is a development and construction scheme which will primarily invest in property development assets. The purchase of property development assets will be made via SPVs. The Fund may also invest in some passive income generating real estate, listed REITs and deposit products for cash flow and liquidity purposes. A description of the classes of assets the Fund may invest in is set out below.

It is critical to the Investment Manager that the focus on ESG does not detract from the financial returns of the property developments that are selected. While it is the Investment Manager's belief and business practice that the ESG component of the Fund should be a benefit to the final revenue and value of the Fund, neither the Responsible Entity nor the Investment Manager have a predetermined view as to what, if any, environmental, social or ethical considerations should or will be taken into account in selecting, retaining or realising any assets of the Fund (see Section 2.5).

It is important for the Investment Manager to have options at its disposal in the same asset class when opportunities provide a more efficient capital allocation. As such the Fund, is mandated to invest into the following assets classes that may or may not focus on ESG:

- Property Developments (Residential and Commercial)
- High interest-bearing cash accounts
- Property (land and building acquisitions) – for future development or buy and sell or buy and hold strategies
- Listed REIT or unlisted diversified property funds/single asset sub funds
- Equity opportunities in property investment opportunities
- Infrastructure and government property investments associated with environmental or social investment, for example, solar farm assets on a property held by the Fund
- Social housing into properties associated with NDIS and/or other social housing investment options.

All investments will be in Australian assets.

2.2. Portfolio composition and updates

As at the date of this PDS, the Fund has no investments.

The Investment Manager expects to publish regular portfolio and investment updates on a 6 monthly basis to keep Investors and prospective Investors informed about the Fund's portfolio of direct and non-direct property assets which will be made available on the Responsible Entity's website at www.vascofm.com and the Investment Manager's website at www.actsecurities.com.au or on request from the Investment Manager.

2.3. Investment Selection Criteria

The Investment Manager has an investment process that is rigorous and tested. The Investment Manager employs a structured process in selecting investments. Standard checklists and due diligence consultants and questionnaires are used to support investment decisions and promote consistency of analysis. The Investment Manager's management team (see Section 7.1) form the Fund's investment committee along with three external team members. This team are chiefly responsible for the identification, feasibility, and organisation of all investment opportunities. They are also primarily responsible for the due diligence process, from the overall purchase, management of the investment through to exit. This serves as a good business practice for an investment manager like ACT-S as it is important for the integrity in this process.

2.4. Development Property Investment Process

In relation to development property investments specifically, the Investment Manager will provide itself with as much relevant information as possible and adopt the intended stages of the investment process for the prospective property development assets of the Fund as set out below. However, it is important to note that it is impossible to know for certain every variable that comes with developing on a specific development site. This translates to risk. The Fund must provide a return that is commensurable to the risk.

1. Identification

During this first stage ACT-S will be looking for development sites through any means necessary. The pipeline of deals is vital to the initial and ongoing success of the Fund. The use of buyer's agents, local and national connections, and normal means of identification, greenfield sites will be funnelled in so that ACT-S can determine the sites viability in stage 2.

2. Preliminary assessment

Once proposed development sites are found they then undergo preliminary assessment. This process considers first and foremost ESG considerations (see Section 2.5). It also includes an overview of zoning parameters, indicative valuation, internal contract review, preliminary quantity surveyors report, basic feasibility, and other methods to determine the highest and best use of the site.

3. Selection

If, following stage 2 a development site meets initial applicable selection criteria, the Responsible Entity will be informed of potential site acquisition and negotiations will commence.

4. Due diligence period

During this due diligence period a valuation of the development site will take place along with quantity surveyors reports if the development site has a development approval. If the property is to be sold subject to approval, then all arrangements are made to submit the development approval in a timely manner (after the purchase). Any relevant ESG considerations (see Section 2.5) are also taken into account in greater depth. Survey reports and on-site inspections will also occur.

5. Purchase

Purchase of the development site will take place as long as all conditions have been met in the contract of sale and requirements have been adhered to by the Fund and the Responsible Entity signs off on the purchase.

6. Implement Investment Strategy

This is where the strategy is implemented for the specific development site whereby ACT-S project manages the design, development and execution of the specific investment.

This may include but is not limited to, statutory development applications for approval, liaising with industry consultants / professionals and physical construction of either commercial or residential projects.

The delivery timeframe may be impacted by elements such as statutory approval process, availability of labour and materials, other industry influences and other relevant factors.

7. Sales / Lease Retain Strategy

At this stage, the completed development site will be either sold or retained.

Depending on the investment strategy and market conditions, the completed development site will either be sold to maximise uplift in asset value or retained/leased for maximum cashflow stream to the Fund.

Depending on the relevant circumstances, the process may be altered to include or exclude steps not listed above. In such situations other propositions not listed above may be considered. ACT-S will report to Investors bi-annually on the status of each development site.

2.5. ESG considerations

For the purposes of this PDS, ESG means Environmental, Social, and Governance, but can also be taken to include environmental, social or ethical considerations expressed to be considerations that may be taken into account by the Investment Manager in this PDS.

The Responsible Entity does not, in the context of making decisions relating to the Fund, take into account labour standards or environmental, social or ethical considerations, except to the extent that the Responsible Entity considers these issues have the potential to materially impact on the merits of its decisions in relation to the Fund. However, the Responsible Entity does retain ultimate responsibility for the investment decisions of the Investment Manager. The Responsible Entity relies upon selection methodology and the skills and expertise of the Investment Manager, who will take into account environmental, social or ethical considerations as described in this PDS, including below. This means that if the sustainability or value of the Fund is adversely affected due to unacceptable environmental, social or ethical factors, the Responsible Entity may choose not to invest further or to dispose of the investment.

The Investment Manager does not have a predetermined view as to what, if any, environmental, social or ethical considerations should or will be taken into account when selecting or retaining development properties. It is important for the Investment Manager to have options at its disposal in the same asset class when opportunities provide a more efficient capital allocation. As such the Fund, is also mandated to invest into assets classes that may or may not have a focus on ESG.

However, for transparency, the environmental, social or ethical considerations the Investment Manager may consider include but are not limited to the following:

- Clean air quality
- Light quality
- Acoustic comfort
- Exposure to toxins

- Carbon emissions
- Energy use
- Energy source
- Water use
- Supply chain practises
- Community engagement

Similarly, the Investment Manager does not have a predetermined view as to how or to what extent any environmental, social or ethical considerations will be taken into account (i.e. it has no specific methodology, positive or negative screening or weighting system and no timeline for monitoring or reviewing such considerations), other than that it intends to take them into account on a case-by-case basis to the extent that they are likely to financially affect the investment being considered.

2.6. Design Points of Difference

When planning a development project, the Investment Manager believes considering the following design points of difference provides them with a competitive advantage:

Cross Laminated Timber Structure

Cross laminated timber panels are sustainably sourced structural timber panels made with layers of finger jointed radiata pine lamellas arranged at right angles to one another, laminated together with a moisture cured polyurethane glue applied to the face under pressure. The 90-degree cross lamination of alternate layers provides dimensional stability, strength, and rigidity. Cross laminated timber is applied as individual components for floors, internal and external walls, cores, stairs, landings, balconies, and roofs, or as a complete structural system encompassing all of these.

Cross laminated timber prefabricated building systems offer dimensional precision and a minimum of assembly time on site. This allows rapid closing in of the building. Compared with conventional framed construction it provides advantages of airtightness, thermal insulation, internal moisture management, acoustic insulation, and fire resistance.

Cross Ventilation / External Walkways

Cross ventilation and external walkways allow for natural cooling and fresher air accommodation for the residence of any development with this feature.

Biophilic Design Principles

Biophilic design is a building design principle that enhances human physical and mental wellbeing by fostering positive connection between people and nature. Examples of this include incorporating plants in the building's spaces that can increase the overall thermal performance.

Biophilic design is a fascinating field because it has shown through research in evolutionary biology, environmental psychology, cognitive neuroscience, social ecology, urban planning, and biological anthropology that our physiology has been shaped throughout millennia by the geography, climate, and seasonal rhythms of the natural environment.

As such, the Investment Manager, where possible may incorporate these design features into the architecture of the property developments that are designed through the Fund.

Green Roofs / Rooftop Gardens

Green roofs or plants for residential rooftops all the way to commercial buildings topped with trafficable turf, native shrubs, or trees or installing a roof garden, either as a new build or a retrofit, have the potential for thermal and design benefits to development projects. These considerations improve the building's environmental performance, thermal insulation, and climate responsiveness not to mention adding aesthetic value, wellbeing benefits and a habitable space.

The Investment Manager engages with specialists who identify and plant for resilience and predictability by factoring in variables at design stage for a considered engineered solution to fit a project.

It is perceived to reduce maintenance costs for the properties as well. For larger residential developments the Investment Manager believes that this feature reduces costs over time.

Regenerative Energy / Solar / EV Charging Points

Where possible, solar panels will be included into property developments, along with electric vehicle charging points and other energy capture technology. The aim is that these initiatives will reduce the need to draw power from the grid and moreover means that common areas will use regenerative energy.

These design points of differences allow the Investment Manager to fulfill its intention to adopt an ESG focus for the Fund.

2.7. Valuation Policy

The Responsible Entity maintains and complies with a written 'Valuation Policy'. This policy is available on request by contacting the Responsible Entity and is reviewed and updated from time to time. The purpose of this policy is to ensure that reliable and timely valuation information is available so that Investors can assess the reliability of valuations.

3. ASIC Benchmarks and Disclosure Principles

3.1. ASIC Regulatory Guide 46 Disclosure

ASIC requires responsible entities of unlisted property schemes in which retail investors invest to provide a statement addressing ASIC's six benchmarks and eight disclosure principles as set out in RG 46.

These benchmarks and disclosure principles aim to help retail investors compare risks, assess the rewards being offered and decide whether the investments are suitable to them.

Below are the Responsible Entity's statements in respect of each of the benchmarks and disclosure principles in RG 46.

In accordance with the requirements of RG 46, these statements will be updated for any material changes that the Responsible Entity becomes aware of, and in any event, at least every six months. The updated statement will be included on the Responsible Entity's website at www.vascofm.com.

3.2. Disclosure principles and Benchmarks

Benchmark 1: Gearing Policy

RG 46.31 – The Responsible Entity maintains and complies with a written policy that governs the level of gearing at an individual credit facility level.

Yes - The Fund meets the benchmark

The Responsible Entity maintains a written 'Gearing and Interest Cover Policy' which the Fund complies with, available on request by contacting the Responsible Entity. The Fund does not currently have any borrowings. It is intended that funds will be borrowed from Australian banks or other credit providers at the relevant SPV level.

Benchmark 2: Interest Cover Policy

RG 46.36 – The Responsible Entity maintains and complies with a written policy that governs the level of interest cover at an individual credit facility level.

Yes - The Fund meets the benchmark

The Responsible Entity maintains a written 'Gearing and Interest Cover Policy' which the Fund complies with, available on request by contacting the Responsible Entity.

Benchmark 3: Interest Capitalisation

RG 46.41 – The interest expense of the Fund is not capitalised.

Yes - The Fund meets the benchmark

Interest expenses of the Fund are intended not to be capitalised.

Benchmark 4: Valuation Policy

RG 46.45 – The Responsible Entity maintains and complies with a written valuation policy that conforms to ASIC’s requirements at RG 46.45, or must explain why they do not.

Yes - The Fund meets the benchmark

The Responsible Entity maintains a written ‘Valuation Policy’ that complies with RG 46, available on request by contacting the Responsible Entity which is reviewed and updated from time to time. The purpose of this policy is to ensure that reliable and timely valuation information is available so that Investors can assess the reliability of valuations.

Benchmark 5: Related Party Transactions

RG 46.53 – The Responsible Entity maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.

Yes - The Fund meets the benchmark

The Responsible Entity maintains and complies with a related party transaction policy that provides a framework for the review of the terms of all related party transactions. The policy details the circumstances and conditions as to when related party transactions are permitted and any supporting evidence required in relation to such transactions, including that:

- Any transactions involving related parties of the Responsible Entity are disclosed to Investors. Any new related party transactions are subject to a review process according to the policy and need to be either on “arms-length” terms or otherwise approved by Investors.
- The details of any known transaction between the Responsible Entity and a related party of the Investment Manager must also be disclosed to Investors. Any transactions not previously disclosed can only proceed if considered by the Responsible Entity to be on “arms-length” terms or otherwise approved by Investors.
- Where the Investment Manager proposes that the Fund enter into a transaction with its related party and the terms of the transaction were not previously disclosed to Investors, they are required to complete a notification form which initiates the Responsible Entity’s review process.

Investors can contact the Responsible Entity if they have further questions regarding this policy.

See Section 8.15 and Disclosure Principle 5 below for information about the related party disclosures for this PDS.

Benchmark 6: Distribution Practices

RG 46.57 – The Fund will only pay distributions from its cash from operations (excluding borrowings) available for distributions.

Yes – The Fund meets the benchmark

Any distributions will be sourced from available cash from operations (excluding borrowings) and will not be sourced from unrealised capital gains. Such cash may be generated from sources including, for example, out of the profits of sold completed development properties, rental income from non-development properties and income from listed REITs and deposit product investments. Any distributions are likely to take the form of dividends which are expected to be fully franked.

Disclosure Principle 1: Gearing Ratio

RG 46.62 – The Responsible Entity should disclose the Fund’s gearing ratio as calculated in accordance with the prescribed formula.

RG 46.63 – The liabilities and assets used to calculate the gearing ratio should be based on the Fund’s latest financial statements.

RG 46.64 – If the Fund has material off-balance-sheet financing, the Responsible Entity should also disclose a ‘look through’ gearing ratio that takes into account such financing.

RG 46.65 – The Responsible Entity should explain what the gearing ratio means in practical terms, and how Investors can use the ratio to determine the Fund’s level of risk.

The Responsible Entity must disclose the level of direct gearing and look-through gearing for the Fund using the following formula:

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

The gearing ratio represents the percentage of debt compared to the gross assets of the Fund. As such it indicates the extent to which the Fund assets are funded by interest-bearing liabilities.

A higher gearing ratio means a higher reliance on external liabilities (primarily borrowings) to assets. A highly geared fund has a lower asset buffer to rely upon in times of financial stress. Borrowings are generally secured by the properties held by the Fund. This means that repayment of these borrowings ranks ahead of an Investor’s interest in the Fund.

As at the date of this PDS, the Fund has no borrowings as the Fund has not begun acquiring assets. Therefore, the gearing ratio is 0.

Disclosure Principle 2: Interest Cover Ratio

RG 46.71 – The Responsible Entity should disclose the Fund’s interest cover ratio calculated in accordance with the prescribed formula.

RG 46.72 – The EBITDA and interest expense figures used to calculate the interest cover ratio should be consistent with those disclosed in the Fund’s latest financial statements.

RG 46.74 – The Responsible Entity should explain how Investors can use the interest cover ratio to assess the Fund’s ability to meet its interest payments.

For the purposes of this RG 46 disclosure, the interest cover ratio is calculated by using the following formula:

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

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

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

As at the date of this PDS, the Fund has no borrowings as the Fund has not begun acquiring assets. Therefore, the interest cover ratio is 0.

Disclosure Principle 3: Scheme Borrowing

RG 46.78 – If the Fund has borrowed funds (whether on or off balance sheet) the Responsible Entity should clearly and prominently disclose:

- *for each borrowing that will mature in five years or less – the aggregate amount owing and the maturity profile in increments of not more than 12 months;*
- *for borrowings that will mature in more than five years – the aggregate amount owing;*
- *the amount (expressed as a percentage) by which either the operating cash flow or the value of the asset(s) used as a security for the facility must fall before the Fund will breach any covenants in any credit facility;*
- *for each credit facility:*
 - o *the aggregate undrawn amount;*
 - o *the assets to which the facility relates;*
 - o *the loan to-valuation and interest cover covenants under the terms of the facility;*
 - o *the interest rate of the facility; and*
 - o *whether the facility is hedged;*
- *details of any terms within the facility that may be invoked as a result of Fund members exercising their rights under the Constitution;*
- *the fact that amounts owing to lenders and other creditors of the Fund rank before Investor's interests in the Fund.*

RG 46.79 – If any of the Fund's borrowings or credit facilities are to mature within the next 12 months, the Responsible Entity should make appropriate disclosure about the prospects of refinancing; or possible alternative actions (e.g. sales of assets or further fund raising).

RG 46.80 – The Responsible Entity should explain any risks associated with the Fund's borrowing maturity profile, including whether borrowings have been hedged and, if so, to what extent.

RG 46.81 – The Responsible Entity should disclose any information about Fund borrowing and breaches of loan covenants that is reasonably required by Investors.

As at the date of this PDS, the Fund has no borrowings.

Disclosure Principle 4: Portfolio Diversification

RG 46.87 – The Responsible Entity should disclose the current composition of the Fund’s direct property investment portfolio, including:

- *properties by geographic location, by number and value;*
- *non-development properties by sector (e.g. industrial, commercial, retail and residential) and development projects by number and value;*
- *for each significant property, the most recent valuation, the date of the valuation, whether the valuation was performed by an independent valuer and where applicable, the capitalisation rate adopted in the valuation;*
- *the portfolio lease expiry profile in yearly periods calculated on the basis of lettable area or income and, where applicable, the weighted average lease expiry;*
- *the occupancy rates of the property portfolio;*
- *for the top five tenants that each constitute 5% or more by income across the investment portfolio, the name of the tenant and percentage of lettable area or income; and*
- *the current value of the development and/or construction assets of the Fund as a percentage of the current value of the total assets of the Fund.*

RG 46.88 – Disclosure should cover the Responsible Entity’s investment strategy on these matters, including its strategy on investing in other unlisted property schemes, whether the Fund’s current assets conform to the investment strategy and an explanation of any significant variance from this strategy. The Responsible Entity should also provide a clear description of any significant non-direct property assets of the Fund, including the value of such assets.

As at the date of this PDS, the Fund holds no property investments. However, it is expected the Fund will invest predominantly in direct and non-direct property assets and have over 20% of its property assets in development based on a “as if complete” basis that therefore will be considered to be a development scheme. The Fund is therefore expected to have a low portfolio diversification.

Please refer to Section 2 for more information about the Investment Manager’s intended approach to portfolio diversification.

Disclosure Principle 5: Related Party Transactions

RG 46.98 – REs that enter into transactions with related parties should describe related party arrangements relevant to the investment decision. The description should address:

- *the value of the financial benefit;*
- *the nature of the relationship (i.e. the identity of the related party and the nature of the arrangements between the parties, in addition to how the parties are related for the purposes of the Corporations Act or ASX listing rules – for group structures, the nature of these relationships should be disclosed for all group entities);*
- *whether the arrangement is on 'arm's length' terms, is reasonable remuneration, some other exception applies, or relief has been granted;*
- *whether Fund member approval for the transaction has been sought and, if so, when (e.g. if member approval was obtained before the issue of interests in the Fund);*
- *the risks associated with the related party arrangement; and*
- *whether the Responsible Entity is in compliance with its policies and procedures for entering into related party transactions for the particular related party arrangement, and how this is monitored.*

Policies and procedures are in place to mitigate the risk of any actual or perceived conflict of interest, including as a result of a related party transaction - see Benchmark 5 above for more information.

The Administration Manager is a related party of the Responsible Entity. Fees payable to the Administration Manager are detailed in Section 9. While the Responsible Entity reasonably considers the appointment of the Administration Manager to be on arms-length terms but does not guarantee that this is the case.

The Investment Manager and its subsidiaries (related parties) may invest in the Fund.

The Responsible Entity may appoint its related parties or related parties of the Investment Manager from time to time to undertake functions for the Fund, including, for example, the role of developer, sales agent, lawyer, property manager or business operator. While not the Investment Manager's intention for the Fund, the Fund may also purchase properties from parties related to the Investment Manager. Such transactions will only be entered into if it is determined by the Responsible Entity that doing so is in the best interests of Investors and on "arms-length" terms or otherwise where the Responsible Entity seeks Investor approval prior to entering into such transactions. Where an Investment Manager proposes that the Fund enter into a transaction with its related party and the terms of the transaction were not previously disclosed to Investors, they are required to complete a notification form which initiates the Responsible Entity's review process.

Section 8.3 provides information about the related party transaction risks associated with investing in the Fund.

Disclosure Principle 6: Distribution Practices

RG 46.102 – If the Fund is making or forecasts making distributions to members, the Responsible Entity should disclose:

- *the source of the current distribution (e.g. cash from operations available for distributions, or from capital, or from unrealised revaluation gains);*
- *the source of any forecast distribution;*
- *whether the current or forecast distribution are sustainable over the next 12 months;*
- *if the current or forecast distribution is not solely sourced from cash from operations (excluding borrowings) available for distribution, the sources of funding and the reasons for making the distribution from these other sources;*
- *if the current or forecast distribution is sourced other than from cash from operations (excluding borrowings) available for distribution, whether this is sustainable over the next 12 months; and*
- *the impact of, and any risks associated with, the payment of distributions from the Fund from sources other than cash from operations (excluding borrowings) available for distribution.*

Any distributions are at the discretion of the Responsible Entity. The Responsible Entity does not expect to make any distributions in the first three years of the Fund.

Any distributions will be sourced from available cash from operations (excluding borrowings) and will not be sourced from unrealised capital gains. Such cash may be generated from sources including, for example, out of the profits of sold completed development properties, rental income from non-development properties and income from listed REITs and deposit product investments.

To the extent the Fund carries on any property development activities, it is expected the Fund will be a trading trust for tax purposes in the given tax year, with any distributions likely to take the form of dividends which are anticipated to be fully franked (see Section 10 on taxation).

An Investor's distribution entitlement will be calculated based on the number of Units held by the Investor at close of business on the distribution calculation date— see Section 6.3 for more information about distributions.

Disclosure Principle 7: Withdrawal Arrangements

RG 46.104 – If Investors are given the right to withdraw from the Fund, the Responsible Entity should disclose a clear explanation of how Investors can exercise their withdrawal rights, including any conditions on exercise. The Responsible Entity should clearly disclose:

- *whether the Constitution allows Investors to withdraw from the Fund, with a description of the circumstances in which Investors can withdraw;*
- *the maximum withdrawal period allowed under the Constitution (this disclosure should be at least as prominent as any shorter withdrawal period promoted to Investors);*
- *any significant risk factors or imitations that may affect the ability of investors to withdraw from the Fund, or the Unit price at which any withdrawal will be made (including risk factors that may affect the ability of the Responsible Entity to meet a promoted withdrawal period);*
- *a clear explanation of how Investors can exercise their withdrawal rights, including any conditions on exercise (e.g. specified withdrawal periods and Fund liquidity requirements); and*
- *if withdrawals from the Fund are to be funded from an external liquidity facility, the material terms of the facility, including any rights the provider has to suspend or cancel the facility.*

RG 46.105 – Investors should be updated on any material changes to withdrawal rights (such as if the Responsible Entity knows that withdrawal requests will be suspended), through ongoing disclosure.

RG 46.106 – The Responsible Entity should also clearly disclose if Investors have no withdrawal rights.

Investors do not have any right to withdraw from the Fund. Under the Constitution the Responsible Entity is not obliged to make a withdrawal offer or to honour any Withdrawal Request. Withdrawal terms apply and are subject to the liquidity of the Fund and at the discretion of the Responsible Entity.

Please note, the generally illiquid nature of property as an investment class means the Responsible Entity may not be able to offer the liquidity opportunities it intends to offer in all circumstances.

While the Fund is not liquid, Investors may only make a Withdrawal Request in accordance with the terms of any withdrawal offer made by the Responsible Entity and in compliance with the provisions of the Corporations Act regulating offers of that kind. If there is no withdrawal offer open, an Investor does not have a right to make a Withdrawal Request.

However, the Responsible Entity intends to make a withdrawal offer to Investors (in respect of Units they have held for the relevant 3-year Minimum Term) at the end of each financial year. The Responsible Entity retains the discretion to allow Investors to participate in withdrawal offers prior to the end of their Minimum Term. The amount available to meet withdrawal requests for the year will be up to 2.5% of the net asset value of the Fund, as calculated in accordance with the Constitution, as at the last Business Day before the withdrawals are processed.

While the Fund is liquid, Investors may only generally make a Withdrawal Request. However, the Responsible Entity has no obligation to comply with the Withdrawal Request.

Investors wishing to participate in withdrawals need to submit their Withdrawal Requests (in respect of Units they have held for the relevant 3-year Minimum Term) by 4pm on the last Business Day of the relevant period. Proceeds from accepted withdrawal requests are generally paid within 21 days of the last Business Day of the relevant period.

See Section 5.2 for more information about the Fund's withdrawal terms.

Disclosure Principle 8: Net Tangible Assets

RG 46.108 – The Responsible Entity of a closed-end scheme should clearly disclose the value of the net tangible assets (NTA) of the Fund on a per Unit basis in pre-tax dollars.

RG 46.109 – ASIC considers that the Responsible Entity should calculate the NTA of the Fund using the following formula:

$$NTA = \frac{\text{Net assets – intangible assets +/- any other adjustments}}{\text{Number of Units in the Fund on issue}}$$

RG 46.111 – The Responsible Entity should also explain to Investors what the NTA calculation means in practical terms and how Investors can use the NTA calculation to determine the Fund’s level of risk.

The disclosure principle does not apply to this Fund as it only applies to closed-end schemes and the Fund is an open-ended scheme.

Therefore, the Issue Price for an Investor’s Units will vary depending on the timing of when they invest and are issued those Units.

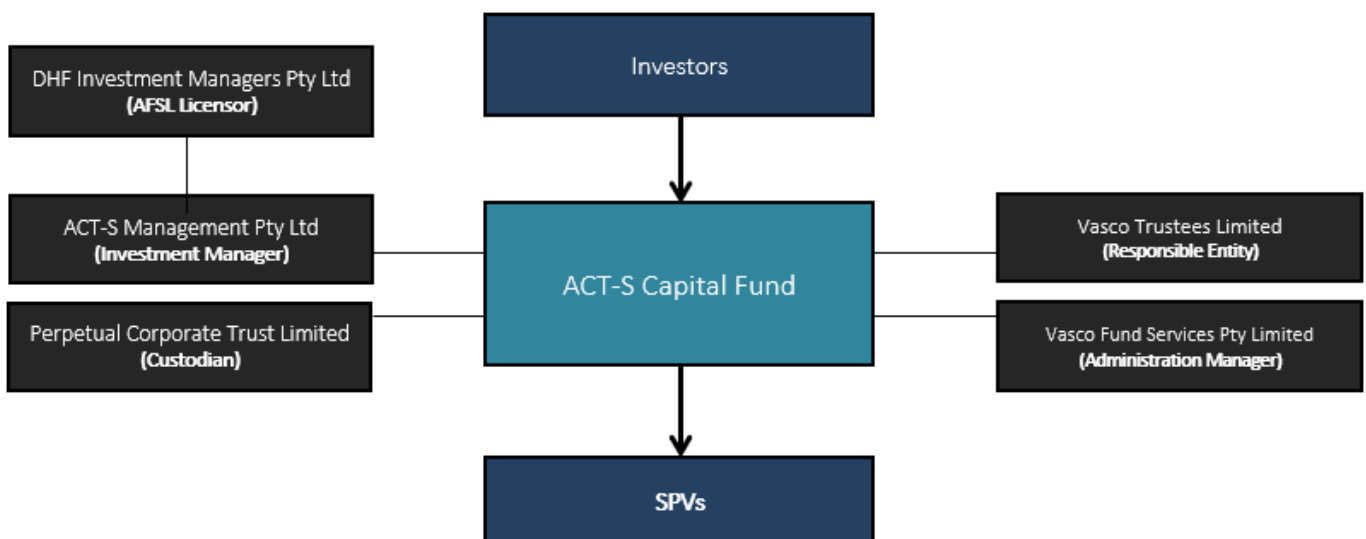
The Fund updates its Unit Price monthly and updates this and net tangible asset details on the Responsible Entity’s website www.vascofm.com.

4. Investment Structure

The Fund is an open-ended unlisted registered managed investment scheme structured as a unit trust established by the Responsible Entity pursuant to the Constitution dated 2 May 2024 (as amended from time to time) and is governed by Australian law. While the Constitution allows the Responsible Entity to create different classes of Units (which may be used in future for separate assets that have different risk and return profiles), there is only one class of Units on offer under this PDS.

The Fund has been established to invest in property assets via SPVs that are controlled by the Responsible Entity which will undertake develop and sell, develop and hold, buy and sell and buy and hold strategies. It is intended that each SPV will invest in one underlying property investment, whereby the SPV will take on the landholding, borrowing, development planning and/or construction functions. Other non-property assets will likely be held directly by the Fund. The Fund may from time-to-time source funding from other parties at the SPV level.

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



Vasco Trustees Limited is the Responsible Entity of the Fund and has appointed the following parties to provide various services to the Fund:

- ACT-S Management Pty Ltd as the Fund’s Investment Manager, with responsibility for managing the Fund’s investments, including property development but may outsource the development from time to time.
- Perpetual Corporate Trust Limited as the Fund’s Custodian, with responsibility for holding the Fund’s assets.
- Vasco Fund Services Pty Limited as the Fund’s Administration Manager, with responsibility for, among other things, processing Applications, withdrawals and fund accounting.
- Grant Thornton Audit Pty Ltd, to audit the Fund’s accounts as well as the Responsible Entity’s adherence to the Fund’s Compliance Plan.

Section 7 contains more information about each party.

5. Making Investments and Withdrawals

5.1. How to invest

A prospective Investor should consider this PDS and the TMD carefully prior to making any investment decision in relation to the Fund. An Application for Units can be made by completing and lodging the "Application Form" that is attached to this PDS or via an online application that can be obtained from the Investment Manager and/ or Responsible Entity.

The minimum application amount for an initial and any subsequent Application by an Investor is \$20,000, comprising an investment amount of \$19,340 and a contribution fee of 3.30% of application monies, subject to the Responsible Entity's right to accept Applications for lesser amounts in its absolute discretion. The Responsible Entity will deduct the contribution fee from an Applicant's application monies at the time Units are issued to the Applicant for the balance of the application monies (after deduction of the contribution fee). As an example, if a successful Applicant has paid the minimum application amount of \$20,000 and the Issue Price for Units the subject of that Application is \$1.00 per Unit, the contribution fee of \$660 will be deducted from the \$20,000 and the Applicant will be issued with 19,340 Units (being the balance of the application monies after the contribution fee is deducted). The Investment Manager may waive or reimburse the contribution fee for a direct Applicant who is not introduced to the Fund via a product distributor service. Where the contribution fee is waived, the balance of the investment amount will increase by the amount of the contribution fee waived.

A completed and lodged Application, together with payment of the relevant application monies, should be returned to the Administration Manager pursuant to the instructions as shown on the Application Form. This will constitute a binding and irrevocable Application. If an Applicant's Application Form is incomplete, the Administration Manager will endeavour to contact the Applicant or their financial advisor to make arrangements to correct the Application Form.

Applications received during each calendar month that are accepted are expected to be processed within 10 Business Days of the end of that month.

If an Application is not accepted, then the application monies must be repaid to the Applicant within 10 Business Days of the Responsible Entity electing not to accept the Application.

All application monies received will be held in an 'applications account' until allotment. Unless the Responsible Entity decides otherwise, interest earned on application monies will be retained by the Responsible Entity and will not form part of the assets of the Fund or be deducted from any contribution fee, and for the avoidance of doubt, any interest earned on application monies is not available to a particular Applicant nor is it attributable to a particular Applicant.

An Application Form must be received 5 days prior to the last Business Day of the month in order to be considered for processing in that month.

5.2. How to withdraw

Investors do not have any right to withdraw from the Fund. Under the Constitution the Responsible Entity is not obliged to make a withdrawal offer or to honour any Withdrawal Request. Withdrawal terms apply and are subject to the liquidity of the Fund and at the discretion of the Responsible Entity

Please note, the generally illiquid nature of property as an investment class means the Responsible Entity may not be able to offer the liquidity opportunities it intends to offer in all circumstances.

While the Fund is not liquid, Investors may only make a Withdrawal Request in accordance with the terms of any withdrawal offer made by the Responsible Entity and in compliance with the provisions of the Corporations Act

regulating offers of that kind. If there is no withdrawal offer open, an Investor does not have a right to make a Withdrawal Request.

However, the Responsible Entity intends to make a withdrawal offer to Investors (in respect of Units they have held for the relevant 3-year Minimum Term) at the end of each financial year. The Responsible Entity retains the discretion to allow Investors to participate in withdrawal offers prior to the end of their Minimum Term. The amount available to meet Withdrawal Requests for the year will be up to 2.5% of the net asset value of the Fund, as calculated in accordance with the Constitution, as at the last Business Day before the withdrawals are processed.

Withdrawal offers will be published on the Responsible Entity's website at www.vascofm.com.

While the Fund is liquid, Investors may only generally make a Withdrawal Request (in respect of Units they have held for the relevant 3-year Minimum Term). However, the Responsible Entity has no obligation to comply with the request.

Investors wishing to participate in withdrawals need to submit their Withdrawal Requests (in respect of Units they have held for the relevant 3-year Minimum Term) by 4pm on the last Business Day of the relevant period. "Withdrawal Request" forms are available from the Responsible Entity's website, at www.vascofm.com. Instructions relevant to the completion of the Withdrawal Request form are set out in the form. Proceeds from accepted withdrawal requests are generally paid within 21 days of the last Business Day of the relevant period.

Where there are insufficient funds to satisfy all Withdrawal Requests pursuant to any withdrawal offer, Withdrawal Requests will be satisfied on a pro-rata basis for that withdrawal offer and each withdrawal offer thereafter until Investors are fully withdrawn from the Fund.

Units that are redeemed will be redeemed at the Withdrawal Price – see Section 6.2 below for more details.

Any withdrawal amount will be deposited to the Investor's nominated account at a bank or other financial institution. The Responsible Entity will not make payments to any third-party nominated accounts.

Investors should allow up to 2 Business Days for any domestic electronic funds transfers to a bank and up to 3 Business Days for any domestic electronic funds transfer to a credit union account. International funds transfers may take longer. However, while the Fund is liquid, the Constitution allows the Responsible Entity 21 days from which it accepts a Withdrawal Request to pay withdrawal proceeds.

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

6. Units, Unit Pricing and Distributions

6.1. Units in the Fund

This PDS invites Applicants to apply for Units in the Fund. Each Unit represents an interest in the assets of the Fund proportionate to the total number of Units on issue but does not entitle the Investor to any particular asset of the Fund.

A Unit entitles an Investor to receive a proportion of specific returns generated by the Fund, which is determined by the number of Units held by the Investor at close of business on the distribution calculation date. Distributions are expected to be calculated on an annual basis – see Section 6.3 below for more information.

It is intended that Units will be issued as at the first day of each month. Investors will ordinarily be sent an acknowledgement statement confirming the issuance of their Units within 10 Business Days following the end of the month in which their completed Application Form (accompanied by payment of application money in cleared funds) is received.

6.2. How Unit Prices are calculated

Units will be issued at the Issue Price and redeemed at the Withdrawal Price, calculated in accordance with the Constitution.

Other than the Issue Price for the first Units issued (which will be at \$1 per Unit), both the Issue Price and Withdrawal Price are calculated by dividing the net asset value of the Fund by the number of Units on issue, then adding a buy spread in the case of the Issue Price, and subtracting a sell spread in the case of the Withdrawal Price.

The Issue Price and Withdrawal Price are calculated monthly as at the last day of the calendar month (or at such other intervals as the Responsible Entity determines) and carried over to the first day of the next month being the date Units are issued and redeemed.

Where the Issue Price for Applications is determined using unaudited values, it may be determined on an interim basis before being finalised following the completion of the audit of the Fund's financial accounts.

Unit Prices are available at www.vascofm.com. The Unit Price that will apply to your application or Withdrawal Request may be different from that on the website as the one that will apply will be the one calculated after you submit your Application or Withdrawal Request.

The Unit Price of any Units you hold is subject to change, depending on the value of the assets held by the Fund which may change from time to time.

Where the Responsible Entity applies its discretion to Unit pricing, using its powers under the Fund's Constitution, it acts in accordance with its Unit Pricing Policy, available on request at no charge by contacting the Responsible Entity.

Please note in the event of an error in Unit Prices resulting in an overpayment to Investors, the Responsible Entity has the right to deduct the value of any overpayment otherwise owed to Investors from either distributions or withdrawals, at its discretion. In the event that the Responsible Entity is unable to recover any amount of overpayment from an Investor, that amount would lead to a decrease in the value of the Fund's Units.

6.3. Distribution payments

Any distributions are at the discretion of the Responsible Entity. The Responsible Entity does not expect to make any distributions in the first three years of the Fund.

Any distributions will be sourced from available cash from operations (excluding borrowings) and will not be sourced from unrealised capital gains. Such cash may be generated from sources including, for example, out of the profits of sold completed development properties, rental income from non-development properties and income from listed REITs and deposit product investments.

To the extent the Fund carries on any property development activities, it is expected the Fund will be a trading trust for tax purposes in the given tax year, with any distributions likely to take the form of dividends which are anticipated to be fully franked (see Section 10 on taxation).

An Investor's distribution entitlement will be calculated based on the number of Units held by the Investor at close of business on the distribution calculation date. The Responsible Entity reserves the right to alter the distributions calculation methodology depending on its determination of the best outcome for Investors in the Fund as a whole, subject to the Constitution.

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

6.4. Distribution reinvestment

As at the date of this PDS the Responsible Entity permits Investors to elect in their Application and on request to the Responsible Entity to have their distributions automatically reinvested in the Fund.

7. Roles and Responsibilities

7.1. Investment Manager

ACT-S Management Pty Ltd (**ACT-S**) is the Investment Manager of the Fund.

The main responsibility of the Investment Manager is to manage the Fund's investments.

ACT-S is an investment manager whose management team specialises in property development, particularly in environmental and sustainable property development.

ACT-S has the ability through this Fund, to invest into environmental and social property developments. The primary philosophy and advantage of the Fund is to utilise design points of differences (see Section 2.6) to allow integration into property developments, enabling cost efficiencies whilst increasing the level of value within the finished product, which then allows for enhanced profitability and environmental/sustainable living.

The ACT-S management team, who are also a part of the Fund's investment committee, includes:

Naum Angeloski

Naum, a 20-year veteran of the Australian finance and lending industry, leads the firm's investment strategies, project feasibility analysis and portfolio risk management. Naum's passion for sustainable and community-centric development, combined with his exceptional financial acumen and deep industry expertise led to co-founding the firm. His vision, to create socially and environmentally conscious investment opportunities for all Australians by revolutionising property development practices in Australia.

Over his extensive career, Naum has optimised the financial position of thousands of individual and corporate clients through his thoughtful, informed and resourceful approach to financing. He has successfully designed and implemented complex finance structures spanning multiple industries that consider his clients' economic behaviours, unique circumstances, systematic and unsystematic risks. His real-world experience and expansive networks across the Australian property and finance sectors contribute valuable demographic insights that support his data-driven approach to project scoping, analysis and risk management.

Giuseppe Cirillo

Giuseppe is an experienced finance professional with 20 years management consulting experience in senior management roles across the private and public sector. A qualified chartered accountant, Giuseppe is a member of Institute of Chartered Accountants Australia and New Zealand and holds a Bachelor of Economics & Commerce from the Australian National University. Today, Giuseppe successfully oversees and manages businesses in the varying yet complementary businesses, such as:

- Commercial and Residential property fund investments
- Development and construction of residential and commercial projects
- Wholesale and distribution of construction related products through an established global product sourcing, importing and distribution organisation.

Giuseppe's core competencies are in financial accounting, feasibility analysis and financial modelling. Giuseppe's primary role is implementing efficient management processes during the due diligence phase of the development assessment.

Aleksandar Trpeski

Aleksandar brings a diversity of experience in the areas of property development with 20 years' experience across various contracting roles in multiple industries. Aleksandar has successfully managed and implemented countless growth strategies within the family business that focused on labour hire and maintaining notable buildings, such as:

- The Parliament House ACT
- St George Hospital Kogarah
- The Canberra Hospital
- Calvary Hospital Bruce

Aleksandar's strengths include organisational resource management and planning and ensuring efficient and effective implementation of business improvement measures. Aleksandar also manages a large portfolio of commercial and residential assets across ACT, NSW, and QLD.

7.2. Responsible Entity

Vasco Trustees Limited is the Responsible Entity of the Fund (**Responsible Entity**). The Responsible Entity is the holder of an Australian Financial Services Licence (No. 344486).

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

The Responsible Entity is part of an investment 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 Managing Director of the Responsible Entity was responsible for establishing the Australian Unity Funds Management Limited and MacarthurCook Limited real estate funds management businesses.

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

7.3. Custodian

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

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

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

The Custodian's role as custodian is limited to holding the assets of the Fund, including those held through SPVs. The Custodian has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to an Investor.

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

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

The Custodian does not make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by the Custodian.

7.4. Administration Manager

The Responsible Entity has appointed Vasco Fund Services Pty Limited (**Administration Manager**) as the administration manager of the Fund. The Administration Manager will be responsible for the provision of administration services to the Fund, including processing Applications, Fund accounting and unit registry maintenance.

Vasco Fund Services Pty Limited is also part of the Vasco group of companies and provides professional fund administration services.

7.5. Financial Auditor and Compliance Plan Auditor

Grant Thornton Audit Pty Ltd has been appointed by the Responsible Entity to audit the Fund's financial statements and audit the Compliance Plan for the Fund on an annual basis.

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 the significant risks that prospective Investors should be aware of when investing in the Fund.

Before investing, prospective Investors should consider whether the Fund is a suitable investment, having regard to their personal investment objectives, financial position, particular needs and circumstances. Apart from reading this PDS, prospective Investors should also read the TMD.

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

The risks described below are not exhaustive and any risk described in this PDS may have a material effect on the performance and value of the Fund.

Importantly, prospective Investors should note that the value of an investment in the Fund, and any 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. Investment risk

The value of an investment may rise or fall impacting Unit pricing, distributions may or may not be paid and an Investor's capital may or may not be returned.

8.2. Fund risk

The Fund could terminate, or the fees and expenses paid from the assets of the Fund could change. There is also the risk that investing in the Fund may give different results than investing in the underlying assets of the Fund directly because of possible impairment charges in the Fund and the potential consequences of withdrawal by other Investors.

8.3. No guarantee of performance or representations made by Responsible Entity or Investment Manager

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

8.4. Risks associated with the performance of the Investment Manager

The success of the Fund is dependent on the Investment Manager, which is a new company established for the purposes of being the investment manager of the Fund, identifying suitable assets for the Fund to invest in, then managing those assets effectively to ensure any returns generated are maximised. If the Investment Manager is unable to achieve this, then this may adversely affect the Fund's returns.

The skills and performance of the Investment Manager can have a significant impact (both directly and indirectly) on the investment returns of the Fund. Changes in key personnel and resources of the Investment Manager may also have a material impact on investment returns of the Fund.

8.5. Limited operating history risk

The Fund is a newly formed managed investment scheme with no operating history upon which Investors can evaluate its likely return. There can be no assurance the Fund will achieve any of its investment objectives, or an Investor's investment objectives.

8.6. Legal and regulatory risk

There is a risk that domestic or international laws or regulations and ASIC guidance may change, adversely impacting the regulation of the Fund and resulting in additional costs and/or less rigorous regulatory supervision of transactions and the reporting that is performed.

Legal risk also includes the risk of losses occurring as a result of legal issues, principally losses arising out of the non-enforceability or non-enforcement of contracts. Non-enforcement may arise from insufficient documentation, insufficient capacity or authority of a counterparty, uncertain legality or unenforceability resulting from bankruptcy or insolvency.

8.7. Fees and expenses

The Fund will incur fees and expenses regardless of whether it is successful. The Fund will pay fees to the Responsible Entity, Investment Manager, Administration Manager, Custodian and auditor and other expenses whether or not it receives returns.

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

The Responsible Entity and the Investment Manager expect to incur significant costs and expenses in seeking to source, evaluate, structure, negotiate, close, monitor and exit an investment including, but not limited to, financial, legal, technical, regulatory and commercial advisers, engaged to assist the Responsible Entity and the Investment Manager. 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.

8.8. Changing economic and market conditions

A downturn in the economy and market conditions may affect the value or performance of assets held by the Fund, which in turn may result in reduced distributions and may adversely affect the Unit Price. These conditions may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of individual local, state, national and international economies.

8.9. Development and construction risk

The Fund will be primarily investing in property development projects which are subject to risks which can affect the returns available to Investors such as:

- the inability to obtain appropriate or sufficient government planning approval to undertake a successful development of a property;
- cost overruns and costs to complete any construction work may be more than forecast and additional capital may need to be sourced;
- completion of buildings under contract could be delayed due to the fault of the developer or other unforeseen events;

- development and construction can be subject to external influence over which the Fund has little or no control;
- latent conditions identified within a project;
- inclement weather;
- material and labour market conditions;
- general market conditions deteriorating; and
- the benefits of any ESG considerations not being able to be substantiated or achieved (as well as anticipated returns arising from them).

8.10. Tenancy risk

The business conditions for tenants may change adversely, which may result in tenants seeking rental assistance, defaulting on rental payments, abandoning leases, or not renewing leases on expiry. A reduction in rental income received by the Fund may impact the level of distributions it can make and may reduce the value of its assets.

8.11. Property maintenance

In the day-to-day operations, allowances are made for known capital works and maintenance of the properties. However, unforeseen repairs or capital works may be required, which may reduce the amount of income available for distribution.

8.12. Australian REIT price risk

The Fund's assets may include units in ASX-listed REITs (**A-REITs**). These assets are held primarily for liquidity purposes. Being a listed investment, A-REITs will move in value on a daily basis in line with the broader securities market. Such movements may not be reflective of the underlying value of those A-REITs and may be affected by investor sentiment or other broader market or economic factors.

8.13. Cash holding risk

The Fund's assets may include cash or cash equivalent products. These assets are held primarily for liquidity purposes.

The Fund's cash or cash equivalent holdings are reviewed regularly.

8.14. Liquidity risk

An investment in the Fund should be considered an illiquid investment. There is no guarantee that there will be sufficient liquidity for any Withdrawal Requests to be processed, or for withdrawal offers to be made. Property assets tend to be less liquid than other forms of investment and it may take considerable time to redeem an Investor's Units. Furthermore, the Responsible Entity is not obligated to accept Withdrawal Requests or provide withdrawal offers.

Investors in the Fund will only have limited opportunities to withdraw their investment as outlined in Section 5.2. In addition, there will not be any established secondary market for Units. This may represent a risk to an Investor in the event the Investor requires the return of their investment more urgently.

8.15. Related party transactions and conflicts of interest risk

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

The Responsible Entity may from time-to-time enter into transactions with related entities.

The Administration Manager is a related party of the Responsible Entity and is appointed pursuant to an Administration Agreement. While the fee terms of this agreement are considered in line with market rates, this agreement has not been independently reviewed and the Responsible Entity does not guarantee that it is made on arms-length terms.

The Responsible Entity may appoint its related parties or related parties of the Investment Manager from time to time to undertake other functions for the Fund, including, for example, the role of property manager. While not the Investment Manager's intention for the Fund, the Fund may also purchase properties from parties related to the Investment Manager. Such transactions will only be entered into if it is determined by the Responsible Entity that doing so is in the best interests of Investors and on "arms-length" terms or otherwise where the Responsible Entity seeks Investor approval prior to entering into such transactions. It is not the responsibility of the Responsible Entity to assess the merits of each investment recommended by the Investment Manager, but rather to review that each investment is contemplated by this PDS and the Fund's Constitution.

The Responsible Entity does not directly manage the properties or developments in which the Fund invests, and this role, where relevant, will be undertaken by the Investment Manager.

The Responsible Entity will rely solely on the confirmation of the Investment Manager that the Fund's investments are made in accordance with the guidelines it has specified in this PDS, as updated from time to time, and that any investment is made on arms' length terms. Further, the Responsible Entity will not undertake any independent review that this is in fact the case. Accordingly, the Responsible Entity does not guarantee that these transactions will be entered into 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 the investments entered into by the Fund may not be on arm's length terms (although note that Investor approval will be obtained if this is the case). Investors also acknowledge that they have made their own independent investigations to satisfy themselves of the benefit of becoming an Investor in the Fund.

8.16. Valuation risk

This is the risk that the valuation of the investments contemplated by the Fund are inaccurate at the time of deciding to invest so that the amount realised on exit is less than would have been expected had the valuation been correct. There is also the risk that where a professional valuer is used who provides an inaccurate valuation, that valuer does not have or no longer has adequate professional indemnity insurance to cover the valuation on which the Investment Manager has relied.

Market volatility and lack of evidence to value properties means the Investment Manager, or independent valuers, may be unable to value the Fund's assets, and therefore Unit Price, with any certainty. Withdrawals from the Fund may need to be suspended in the event that assets cannot be properly valued.

8.17. Gearing and interest rate exposure risk

The Fund intends to have debt facilities at SPV level, and thus Investors will be exposed to gearing and interest rate risk. Gearing can magnify gains but can also magnify losses and typically gearing increases the risk of the investment.

A fall in the value of one or more of the property assets of the Fund or the net income derived from those properties could result in a breach of a borrowing condition. If there is a default of the debt facility, the financier may enforce its security against the Fund's assets and, amongst other things, sell one or more of the Fund's assets. The Fund may require financing in the future and there is no certainty that debt funding will be obtained or will be obtained on favourable terms. Investors will rank behind other creditors (i.e. financiers) of the Fund.

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

facility. Further, there will be no rights to recover the debt by seeking to take control or sell any real property of the Investment Manager.

The Fund will be subject to the terms and conditions of the Fund's debt facilities, including its key covenants. Breaches of these covenants or any other default of terms may enable the financiers to take action against the Fund. There is also a risk that interest rates may rise, which may increase the interest rate expense applicable to the Fund's debt facilities. As a result of this, distributions to Investors may be adversely affected.

In addition, as the Fund may hold units in unlisted property funds or listed REITs, which may themselves be geared, any default or breach of covenants by those funds or REITs in respect of their debt facility or any increases in the interest rates applicable to those underlying debt facilities may have an adverse impact on those funds or REITs. This may, in turn, cause the Fund's income and distributions to Investors to be adversely affected. The Responsible Entity does not take into account the gearing of any REITs held by the Fund in calculating the Fund's look-through gearing ratio.

8.18. Tax risks, including income tax, duty and land tax risks

The effect of tax on Investors is complex and the summary in Section 10 of this PDS is general in nature. Investors should seek professional tax advice specific to their own circumstances before investing in the Fund.

There is a risk that the Australian federal and state / territory tax laws at the date of publication of this PDS, including applicable case law and published guidance by the ATO and state / territory revenue authorities, could change and changes can be adverse.

Tax and duty considerations taken into account by the Responsible Entity in preparing this PDS are based on current law and the practices of relevant tax and revenue authorities, all of which are subject to change or to differing interpretations. Prospective Investors should note that any such change could have retrospective application, resulting in tax and duty consequences different from those taken into account by the Responsible Entity. There can be no assurance that these considerations will ultimately be sustained in the event of challenge by the relevant tax or revenue authorities.

Additionally, as the Fund is likely to acquire or hold interests in land (including indirect holdings), duty (including landholder duty, trust acquisition duty and foreign purchaser surcharge duty) may apply on the acquisition of interests in the Fund (including by way of issue, transfer or withdrawal of Units). The acquirer or holder of the Units is generally primarily liable to pay the duty. This is in addition to any duty that the Fund may incur in acquiring interests in a property or other land interests.

8.19. Disputes and defaults

In the ordinary course of its operations, the Fund may be involved in disputes, defaults and possible litigation with tenants or other service providers. There exists a risk that a material or costly dispute or litigation could affect the amount of expected income of the Fund.

8.20. Insurance risk

Any losses incurred due to uninsured risks or breaches of insurance policy conditions may adversely affect the performance of the Fund. Increases in insurance premiums may also affect the performance of the Fund. Insurance premium increases could occur, for example, due to external market factors, or if the Fund claims under any insurance policy for significant losses in respect of the portfolio. Any failure by the company or companies providing insurance (or any reinsurance) may adversely affect the Fund's ability to make claims under its insurance. Also, most insurance policies have a minimum excess. There are also certain events for which insurance cover is not available or for which the Fund does not have cover. If the Fund is affected by an event for which it has no insurance cover, this would result in a loss of capital and a reduction to the Unit Price and overall Investor returns. An event of this type could also result in an increase in insurance premiums.

8.21. Cyber security risk

Investors should be aware that while the Responsible Entity has implemented technologies, processes, and practices designed to protect its networks, devices, programs, and data (or IT systems), such IT systems may still be subjected to malicious attack, damage, or unauthorised access.

Such IT systems may include the storage of information concerning an Investor's identity, financial interests or other personal details provided to the Responsible Entity in connection with their investment in the Fund.

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

8.22. 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.

Whilst the Responsible Entity and Investment Manager have taken steps to ensure that the information presented in this PDS is correct, 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 PDS may be inaccurate at a later time.

The performance of this investment, the repayment of capital or of any particular rate of return, is not guaranteed by the Responsible Entity, the Investment Manager, their directors or their associates.

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

9. Fees and Other Costs

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

Consumer Advisory Warning

DID YOU KNOW?

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

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

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

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

9.1. Fees and Other Costs

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

Information about taxation is set out in Section 10.

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

Fees and costs summary:

<i>ACT-S Capital Fund</i>			
Type of fee or cost ¹	Amount ²	How and when paid	
Ongoing annual fees and costs			
<p><i>Management fees and costs</i></p> <p>The fees and costs for managing your investment</p>	<p>Responsible Entity fee:</p> <ul style="list-style-type: none"> 0.31% per annum of the gross asset value (GAV) of the Fund up to and including \$100 million, plus 0.21% per annum of the GAV of the Fund on amounts greater than \$100 million and less than \$200 million, plus 0.10% per annum of the GAV of the Fund on amounts greater than \$200 million, <p>subject to an annual minimum fee of \$62,700 for the first 12 months.</p> <p><i>Based on \$25m GAV ongoing responsible entity fee of 0.31% per annum of the Fund's GAV.^{3,4} Subject to annual minimum fee.</i></p>	<p>Calculated based on the GAV of the Fund as at the end of each calendar month. This fee accrues daily and is payable monthly in arrears out of the Fund's assets from the establishment of the Fund.</p>	
	<p>Investment management fee: 1.67% per annum of the Fund's GAV.^{3,5}</p>		<p>Payable to the Investment Manager monthly in arrears out of the Fund's assets from the date Units are first issued pursuant to this PDS.</p>
	<p><i>Document review fee</i> of 0.01% per annum of the Fund's GAV.⁵</p>		<p>A fee of \$784 is payable in respect of each set of property acquisition documents that requires the Responsible Entity's review and execution. It is payable from the Fund's assets as incurred.</p>
	<p><i>Regulatory recovery levy</i> of 0.02% per annum of the Fund's GAV.^{3,6}</p>		<p>Calculated based on the GAV of the Fund and is payable in arrears annually on 1 January each year.</p>
	<p>Other Expenses of 0.52% per annum of the Fund's GAV.^{3,4}</p>		<p>Generally paid as incurred or reimbursed to the Responsible Entity or Investment Manager (if applicable) from the Fund's assets.</p>

ACT-S Capital Fund		
Type of fee or cost ¹	Amount ²	How and when paid
<p><i>Performance fees</i></p> <p>Amounts deducted from your investment in relation to the performance of the product</p>	Estimated to be nil for the current financial year adjusted to reflect a 12-month period.	Performance fees are fees that are deducted from the Fund in relation to the performance of the Fund. This fee is 22.55% of the returns that exceed the Funds benchmark. The benchmark of the Fund is 11% per annum pre-tax. The performance fee is calculated on a rolling 3-year basis based on valuations that the Fund records on a yearly basis. These valuations are reflected in the Unit Price. These fees are usually paid to maximise the value of the Fund. These fees will be paid annually from the third year of the Fund.
<p><i>Transaction costs</i></p> <p>The costs incurred by the scheme when buying or selling assets</p>	Estimated to be 2.62% per annum of the GAV of the Fund. ^{3,6}	Transaction costs are paid at the time of purchasing or selling of investment assets out of the Fund's assets.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
<p><i>Establishment fee</i></p> <p>The fee to open your investment</p>	Nil	Not applicable
<p><i>Contribution fee</i></p> <p>The fee on each amount contributed to your investment</p>	3.30% of application monies for each successful Application.	The Responsible Entity will deduct the contribution fee from an Applicant's application monies at the time Units are issued to the Applicant for the balance of those application monies and pay this fee to the Investment Manager.
<p><i>Buy-sell spread</i></p> <p>An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	<p>Following the Fund's first property asset purchase:</p> <ul style="list-style-type: none"> • 2% increase to be applied to the Unit Price of the Fund upon application for Units in the Fund; and • 2% decrease to be applied to the Unit Price of the Fund upon withdrawal of Units from the Fund. 	A 2% buy/sell spread will be factored into the Unit Price calculation on the issuance or withdrawal of Units by the Investor to account for the costs the Fund may incur in the buying or selling of assets.
<p><i>Withdrawal fee</i></p> <p>The fee on each amount you take out of your investment</p>	Nil	Not applicable
<p><i>Exit fee</i></p> <p>The fee to close your investment</p>	Nil	Not applicable
<p><i>Switching fee</i></p> <p>The fee for changing investment options</p>	Nil	Not applicable

1. See "Additional explanation of fees and costs" below for further details as to fees and costs you may be charged.

2. All fees are inclusive of GST (less any applicable input tax credits) and stamp duty.
3. Based on the gross asset value of the Fund's assets being \$25 million after the Fund's first full financial year of operations.
4. This amount assumes no abnormal expenses have been incurred by the Fund (e.g. cost of unitholder meetings). Any abnormal expenses will be paid from the assets of the Fund and may result in an amount greater than the management fees and costs shown in the table above.
5. Please refer to additional fees and costs in Section 9.4.
6. This amount is an estimate of the transaction costs that will apply for the current financial year of the Fund adjusted to reflect a 12-month period, on the assumption that the GAV of the Fund is approximately \$25 million at the end of the Fund's first full year of operations. The Transaction costs are made up of transaction costs, land acquisition fees, sales arrangement fees, and debt arrangement fees. This amount is net of any amounts recovered by the buy-sell spread.

9.2. Example of annual fees and costs of the Fund

This table gives an example of how the ongoing annual fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE - <i>ACT-S Capital Fund</i>	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 ² DURING THE YEAR	
Contribution fees	3.30% of application monies for each successful Application.	For every \$5,000 you put in, you will be charged \$165.
PLUS Management fees and costs	2.60% per annum of the Fund's GAV. ¹	And , for every \$50,000 you have in the ACT-S Capital Fund, you will be charged or have deducted from your investment \$1,300 each year.
PLUS Performance fees	0% per annum of the Fund's GAV.	And , you will be charged or have deducted from your investment \$0 in performance fees in each year.
PLUS Transaction costs	2.62% per annum of the Fund's GAV.	And , you will be charged or have deducted from your investment \$1,310 in transaction costs.
EQUALS Cost of <i>ACT-S Capital Fund</i>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs in the range of: \$2,775*² What it costs you will depend on the fees you negotiate.

* Additional fees may apply,

1. These figures have been rounded to two decimal places where appropriate. These amounts represent the percentage of the Fund's estimated management fees and costs, performance fees and transaction costs to the Fund's total average gross asset value for the Fund's first year. These amounts change over time as the costs of managing the Fund change. Further information is included in Section 9.4 'Additional explanation of fees and costs'.
2. Depending on the time during the year when you make the additional contribution.

9.3. Additional Explanation of Fees and Costs

Management fees and costs

The management fees and costs disclosed in the Fees and Costs Summary contain a number of components. Further detail in relation to some of the components are set out below.

1. Responsible Entity fees

The Responsible Entity charges the following fees in accordance with the Constitution:

- a) An establishment fee of \$27,692.50 which is a once-off fee that is 50% payable upon ACT-S' acceptance of Vasco's proposal and 50% payable upon the execution of the Constitution, plus \$7,838 to draft the PDS with an additional \$1,045 which may be charged for each material update to the PDS, payable upon the drafting of the PDS or a material update to the PDS (as the case may be) from the assets of the Fund.
- b) An annual Responsible Entity fee of 0.31% per annum of the Fund's GAV up to and including \$100 million, plus 0.21% per annum of the Fund's GAV on amounts greater than \$100 million and less than \$200 million, plus 0.10% per annum of the Fund's GAV on amounts greater than \$200m. These fees are subject to a minimum annual fee of \$62,700 for the first year then \$74,979 for the second year (which is subject to an increase of 2.5% per annum on 1 January each year). This fee is calculated on a monthly basis from the date the Constitution is executed, and accrues daily and is payable monthly in arrears out of the assets of the Fund.
- c) A regulatory levy recovery fee of \$2,613, plus \$75 per \$1 million of the Fund's GAV, payable annually on the 1st of January each year from the assets of the Fund, subject to an annual review by the Responsible Entity based upon the actual costs of the ASIC industry regulation levy, professional indemnity insurance and external dispute resolution membership costs incurred by the Responsible Entity and attributable to the Responsible Entity's appointment as responsible entity of the Fund.
- d) A document review and execution fee of \$784 per transaction encompassing all documents relevant to that transaction. This fee is payable on execution of the documents relevant to a transaction from the assets of the Fund.
- e) The Responsible Entity is entitled to receive a retirement fee if it retires or is removed as responsible entity for the Fund. The retirement fee is equal to \$19,988 plus an amount equal to the fee that the Responsible Entity would have received for the balance of a four-year minimum term (calculated based on the amount of that fee the Responsible Entity was receiving immediately prior to the removal or replacement). The fee is payable on the day before the Responsible Entity is removed or retires as the responsible entity of the Fund and is payable out of the Fund's assets.

2. Investment Manager fees

The Investment Manager is entitled to:

- a) An investment management fee of 1.67% per annum of the GAV of the Fund's assets, which is calculated and payable to the Investment Manager monthly in arrears out of the Fund's assets from the date Units are first issued.
- b) A contribution fee of 3.30% of the application monies for each successful Application. This contribution fee is to help cover the Investment Manager's costs of using a product distributor service. The Responsible Entity will deduct this contribution fee from an Applicant's application monies at the time Units are issued to the Applicant for the balance of those application monies (after deduction of the contribution fee) and pay it to the Investment Manager. As an example, if a successful Applicant has paid the minimum application amount of \$20,000 and the Issue Price for Units the subject of the Applicant's Application is \$1.00 per Unit, the contribution fee of \$660 will be deducted from the \$20,000 and the Applicant will be issued with 19,340 Units (being the balance application monies after the contribution fee is deducted). The Investment Manager may waive or reimburse the contribution fee for a direct Applicant who is not introduced to the Fund via a product distributor service. Where the contribution fee is waived, the balance of the investment amount will increase by the amount of the contribution fee waived.

3. Expenses

The expenses are costs incurred by the Responsible Entity in the establishment and operation of the Fund and includes fees payable to the Custodian, Administration Manager and Auditor, incidental expenses of the Investment Manager and also other administrative expenses such as accounting and legal advice, audit fees, insurances, consulting fees, costs relating to Investor meetings and registry fees.

The Responsible Entity reasonably estimates the Fund's expenses to be 0.52% per annum of the Fund's GAV, for the first financial year of the Fund. This estimate does not include abnormal operating expenses which are due to abnormal events that the Responsible Entity does not foresee at the date of this PDS, such as the cost of running Investor meetings, for example.

It is important to note that this estimate is based on the Fund's GAV being approximately \$25 million at the end of its first full year of operations. The actual expenses may be higher or lower depending on the actual amount of money raised by the Fund in its first year of operations.

The Constitution does not limit the amount that the Responsible Entity can recover from the Fund as expenses provided, they are properly incurred in relation to the proper performance of the Responsible Entity's duties in operating the Fund. For example, the Responsible Entity is entitled to be reimbursed from the Fund for abnormal expenses, such as the cost of unitholder meetings, legal costs of any proceedings involving the Fund and terminating the Fund.

Included in expenses, the Administration Manager is entitled to the following administration fee:

- An annual fee of \$20,500 where the Fund has total assets of less than \$20 million and there are less than 75 unitholders of the Fund;
- An annual fee of \$35,875 where the Fund has between \$20 million and \$50 million of assets or between 75 and 250 unitholders of the Fund; or
- An annual fee of \$41,000 where the Fund has between \$50 million and \$100 million of assets or between 250 and 500 unitholders of the Fund.

This administration fee is subject to an annual increase of 5% per annum on 1 January of each year and will be paid by the Fund to the Administration Manager.

Should additional Unit classes be established, an additional fee of \$7,838 per annum per Unit class shall apply. The Administration Manager's engagement shall be for a minimum period of four years.

Payment of Fees and Costs by the Investment Manager

The Investment Manager has agreed to pay the fees and costs relevant to the establishment of the Fund (as outlined above in Section 9.3).

At the absolute discretion of the Responsible Entity, the Investment Manager may be entitled for reimbursement of these relevant fees if the realised or unrealised revenues of the Fund exceeds its expenses, after which it will be amortised over the subsequent years to avoid an immediate and detrimental impact to the Fund's Unit Price.

Performance Fee

These fees are fees that are deducted from the Fund in relation to the performance of the Fund. This fee is 22.55% of the returns that exceed the Fund's benchmark. The benchmark of the Fund is 11% per annum pre-tax. The performance fee is calculated on a rolling 3-year basis based on valuations that the Fund records on a yearly basis. These valuations are reflected in the Unit Price. These fees are usually paid to maximise the value of the Fund. These fees will be paid annually from the third year of the Fund.

Worked example

Assuming that:

- at the start of year 0, the GAV of the Fund is \$10,000,000 and the NAV price per Unit of the Fund is \$1.00;
- at the end of year 3, the NAV price per Unit of the Fund is \$1.34, with the Fund earning a total realised return of 34% after fees and expenses, but before performance fees and distributions; and
- no issuance or withdrawal of Units during year 3;

the applicable performance fee for year 3 of the Fund is expected to be 22.55% of returns that exceed the fund benchmark of 11%.

As such, the Fund will be liable to pay the Investment Manager a performance fee of \$22,550 for the particular period under the above assumptions.

*This worked example excludes any contribution fee paid to the Investment Manager before Units are issued in the Fund.

Transaction Costs

General Transaction Costs

Costs are payable when incurred in relation to the acquisition or disposal of the assets. The figure of 0.38% per annum of the Fund's GAV is an estimation of costs associated with the investments but net of any amounts recovered by the buy-sell spread. These costs include but are not limited to valuations, legal costs, stamp duty, quantity surveyors' reports, engineering reports and other consultant reports.

Land Acquisition Fee & Sale Arrangement Fee

These fees are associated with the acquisition work and preparation of property sale work that the Investment Manager does for the Fund. These fees are 1.84% of the overall acquisition or sale value of the property.

Debt Arrangement Fee

A fee of 0.40% will be payable on the value of the debt arranged by the Investment Manager whenever the Investment Manager has successfully arranged a debt facility for purchase or construction of a property.

Buy-sell spread

A buy spread will apply to the Unit Price to give an Issue Price and a sell spread will apply to the Unit Price to give a Withdrawal Price of Units, to part represent the costs associated with the purchase and sale of assets and to ensure Investors are treated equitably on entry and exit.

As at the date of this PDS, there is no buy spread or sell spread.

However, following the Fund's first property asset purchase, a 2% buy spread will be applied to the Unit Price and a 2% sell spread will be applied to the Unit Price. This is to contribute to the costs of acquiring a property (such as stamp duty) and selling a property.

Buy and sell spreads may be updated from time to time and will be published online at www.vascofm.com.

Termination fee

If the Responsible Entity retires or is removed as the responsible entity of the Fund, then in consideration for work done in establishing the Fund and facilitation of the orderly replacement of the Responsible Entity, it is entitled to a retirement or removal fee of \$19,988.

Taxation

Unless otherwise stated, all fees set out in this section are inclusive of the net effect of GST. This includes GST, net of input tax credits or reduced input tax credits as applicable.

For further information on tax, please refer to Section 10.

Fees for other services

The Responsible Entity or its related parties may also provide other services to the Fund or the Fund's Investors in the future. Should that occur, the Responsible Entity or its related parties will charge fees for those services at commercial market rates for the provision of those services.

Differential Fees

The Investment Manager (contactable at hello@actsecurities.com.au) may separately negotiate a fee rebate with Investors on an individual basis who are wholesale clients as defined in the Corporations Act, provided the provision of such rebate is not excluded by the Corporations Act or any applicable laws. This fee rebate is subject to the Investment Manager earning enough fees to satisfy any rebate and is not guaranteed by the Responsible Entity.

In the event rebates are offered, they will be paid out of the fees paid to the Investment Manager and will not affect the fees paid by, or any distributions to, other Investors.

The rebate will ordinarily be paid within 10 Business Days after the Investment Manager receives its fee (if any).

Changes to fees and expenses

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

Waiver and deferral of fees by the Responsible Entity

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

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

Advice fees

The Responsible Entity does not pay advice fees.

An Investor may agree with a financial adviser that an initial advice fee will be paid for ongoing financial planning services the financial adviser provides in relation to their investment in the Fund. This advice fee is additional to the fees shown in Section 9.1, and is paid to the Australian Financial Services Licensee responsible for the financial adviser (or the Investor's financial adviser directly if they are the licensee). It is not paid to the Responsible Entity.

Other payments and benefits

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

10. Taxation Information

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 Responsible Entity and Investment Manager in preparing this PDS are subject to change or differing interpretations which could have a retrospective application resulting in different taxation and duty consequences.

The Responsible Entity 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.

Section 8.18 contains a further statement regarding the tax risks associated with an investment in the Fund.

The below summary is only general in nature. 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).

This summary is based on the Responsible Entity's understanding of and advice on current Australian tax laws at the date of publication of this PDS, including applicable case law and published guidance by the Australian Taxation Office and state / territory revenue authorities, which may be subject to change.

10.1. Fund structure

The Fund is an open-ended unlisted registered managed investment scheme structured established by the Responsible Entity pursuant to the Constitution and is governed by Australian law.

The Fund provides Investors an opportunity to acquire Units in the Fund which entitles them to returns generated by the Fund. The Fund aims to generate these returns by investing into direct property developments, fundamentally in new construction projects via special purpose vehicles (SPV's).

10.2. Fund income

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.

10.3. Public trading trust rules

Public trading trusts are taxed in broadly the same way as companies, meaning that, if the rules apply, the Responsible Entity is liable to pay income tax at the corporate rate of tax of 30% on the taxable income of the Fund. Investors who are entitled to the income of the Fund will generally receive a credit for the tax paid by the Responsible Entity.

The Fund may be a public trading trust if it is a public unit trust and its investments do not satisfy the definition of an 'eligible investment business'.

An 'eligible investment business' includes investing in land primarily for the purpose of deriving rent and investing in certain financial instruments that arise under financial arrangements. The Responsible Entity considers that the Fund's investments in the property held will be considered an investment in land primarily to derive rent and, on that basis, the Responsible Entity is currently of the view that the Fund is likely to be a public trading trust.

10.4. Withdrawal from the Fund

When an Investor fully or partially withdraws their investment in the Fund, they are treated as having disposed of their investment, and as a result, any net gain derived on disposal may be included in their taxable income under the CGT provisions.

An Investor will make a capital gain in respect of the disposal of their investment to the extent that the capital proceeds attributable to the disposal exceed the Investor's cost base in the Units that are redeemed. Alternatively, an Investor will make a capital loss in respect of the disposal of its investment to the extent that the capital proceeds attributable to the disposal of the investment are less than the CGT reduced cost base in that investment.

In determining the cost base or reduced cost base of an investment in the Fund, Investors will need to take into account any returns of capital and certain tax components of distributions that will increase or decrease the cost base of their investment (which should be reported on their annual tax statements).

10.5. Transfer duty on the acquisition of property

The acquisition of property by the Fund will be subject to duty in the state or territory in which the property is located (though some exceptions might apply). Duty will be charged at the relevant transfer duty rates (plus any foreign purchaser surcharge, if applicable) on the greater of the consideration paid for the property and the property's unencumbered market value. Usually, the purchaser of the property will be liable for payment of the duty.

10.6. Duty on the issue, transfer or withdrawal of Units

The issue, transfer or withdrawal of Units may give rise to a liability for landholder duty if, at the relevant time (usually the time of issue, transfer or withdrawal):

- the Fund has a direct or indirect interest in land or land-type assets in a state or territory (which can, in some jurisdictions, include leasehold interests, tenant's fixtures and assets fixed to land, including by resting under their own weight), including any land that is the subject of an uncompleted contract; and
- the Fund is considered a 'landholder' (within the meaning of the relevant state or territory's duties legislation, which varies between jurisdictions), as the unencumbered market value of the land interests owned or deemed to be owned by the Fund at the relevant time meets or exceeds the relevant land value threshold in each applicable state or territory (though some jurisdictions have no threshold, such that any interest in land could cause the Fund to be a 'landholder'); and
- the acquisition of Units on its own or when aggregated with other acquisitions by the acquirer, a person 'associated' with the acquirer or any other person in an 'associated transaction', reaches or exceeds the 'relevant acquisition' threshold in that state or territory. The definitions of 'associated persons' and 'associated transactions' are broad and vary between jurisdictions. The withdrawal of Units held by one or more Investors may also give rise to a landholder duty liability for the remaining Investors in certain circumstances.

The issue, transfer or withdrawal of Units may also give rise to a liability for trust acquisition duty if, at the time of issue, transfer or withdrawal, the Fund holds any direct or indirect interests in 'dutiabale property' in Queensland (such as land and land-type interests and intangibles (including intellectual property and goodwill)).

Where such circumstances apply, broadly, duty will generally be assessed at the relevant transfer duty rates applied to the proportion of the unencumbered market value of the land and land type interests (and, in some jurisdictions, chattels / goods), or land and general 'dutiabale property' in the context of Queensland trust acquisition duty, owned or deemed to be owned by the Fund equivalent to the proportionate interest acquired (on an aggregated and associated-inclusive basis).

In most jurisdictions, the acquirer of the Units is primarily liable to pay the duty. However, landholder and / or trust acquisition duty may not be payable where the Fund qualifies as a specific type of public trust (such as a 'widely held trust') in the state or territory in which the property is located. This is because, in some jurisdictions, certain types of public trusts are outside of the trust acquisition and landholder duty regimes or qualify for a higher 'relevant acquisition' threshold.

The Responsible Entity and Investment Manager intend to operate the Fund so that, to the extent possible, they will seek to minimise the prospect of duty being payable by Investors on the issue, transfer or withdrawal of Units. There is no guarantee however that this intention will be realised and circumstances of the Fund may change without notice, such that duty may be payable by Investors on the issue of Units or purchase of Units by way of transfer, or by remaining Investors on withdrawal of Units held by other Investors.

As the duties laws and the circumstances of the Fund will change from time to time, the Responsible Entity recommends that Investors seek their own independent advice before investing in the Fund.

10.7. Land tax

Broadly, land tax is an annual tax (quarterly in the Australian Capital Territory) levied by most Australian states and territories on land owners at rates of up to 2.67%. Land tax surcharges (of up to 4% in addition to general land tax rates) may also apply where interests in Australian land are held, directly or indirectly, by non-residents (subject to various ownership thresholds and, in certain jurisdictions, land type).

The Fund may be subject to costs relating to land tax and land tax surcharges. In limited circumstances, land tax (and surcharges) may be passed on to Investors as a result of their investment in the Fund.

10.8. Tax File Number and Australian Business Number (Australian Investors only)

It is not compulsory for an Investor to quote a Tax File Number (**TFN**), claim a valid exemption for providing a TFN, or (in certain circumstances) provide an Australian Business Number (**ABN**). However, if an Investor does not provide a

TFN, exemption or ABN, tax will be required to be deducted from the Investor's distributions at the highest marginal tax rate plus Medicare levy and any other applicable Government charges (currently 47%).

10.9. Australian Goods and Services Tax (GST)

GST should not be payable on the issue or withdrawal 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.

10.10. Automatic Exchange of Information (AEOI)

The Responsible Entity intends to meet any requirements imposed on the Responsible Entity 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 the Foreign Account Tax Compliance Act ('**FATCA**') and the Organisation for Economic Co-operation and Development's ('**OECD**') Common Reporting Standard ('**CRS**'). As such, the Responsible Entity 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 these AEOI regimes may have on them.

11. Additional Information

11.1. Summary of material documents

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

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

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

(1) Constitution

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

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

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

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

The Responsible Entity is also entitled to the benefit of various indemnities under the Fund's Constitution, which means that it has limited its liability for acting as the responsible entity.

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

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

A copy of the Constitution can be obtained from the ASIC website or is available to Investors from the Responsible Entity free of charge.

(2) Compliance Plan

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

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

If the Compliance Plan is breached, the Responsible Entity is obliged to report such a breach to ASIC.

(3) Custodian Agreement

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

(4) Investment Management Agreement

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

The Investment Management Agreement sets out the Investment Manager's obligations to the Responsible Entity and to the Fund.

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

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

(5) Administration Agreement

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

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

11.2. Target Market Determination

A Target Market Determination has been prepared for the Fund and has been made available at the Responsible Entity's website, www.vascofm.com. A prospective Investor should read the Target Market Determination carefully prior to making any investment decision in relation to the Fund.

11.3. Cooling Off Rights

A cooling off period may apply to you depending on the Fund's investments at the time of your application. Generally, if you invest when the Fund is not "liquid" for the purposes of the Corporations Act (for example, once the Fund's portfolio comprises direct property investments), no cooling off period will be available to you.

However, if the Fund is liquid at the time Units are issued to you (for example, when the Fund's portfolio substantially comprises cash prior to the acquisition of any direct property) and you are a retail client (as defined in the Corporations Act), a 14-day cooling off period will be available to you to decide whether to proceed with an Application under this PDS. The cooling off period starts on the earlier of:

- the date you receive confirmation of your investment; or
- after the end of the fifth Business Day after the date on which your Units are issued.

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

Your right to cooling off terminates immediately if you exercise a right or power under the terms applicable to your Units under this PDS.

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

If you are a 'sophisticated' or 'professional' Investor or otherwise a 'wholesale client' (as defined in the Corporations Act), the cooling off period is not available to you even if the Fund is liquid.

11.4. Privacy

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

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

If you do not provide the personal information requested by the Responsible Entity or provide incomplete or inaccurate information, the Responsible Entity 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 Responsible Entity can provide with respect to the administration of any investment you subsequently make in the Fund.

The Responsible Entity 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 Responsible Entity be liable under the *Privacy Act 1988* (Cth) (**Privacy Act**) in the event that the recipient does not act consistently with the APPs.

The Responsible Entity 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 Responsible Entity may be required to collect and disclose certain information in order to comply with the identification and verification requirements imposed under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*. For certain Investors, the Responsible Entity may also be required to collect and disclose certain personal information to the ATO in order to comply with the Foreign Account Tax Compliance Act.

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

The Responsible Entity 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 Responsible Entity's Privacy Policy by telephone or writing to the Privacy Officer at:

Privacy Officer
Level 4, 99 William Street
Melbourne, Vic 3000
compliance@vascofm.com
+61 3 8352 7120

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

11.5. Complaints Handling

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

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

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

A 'Dispute Resolution Guide' is available on the Responsible Entity's website at www.vascofm.com which further sets out its dispute management process.

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

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

11.6. Statement regarding Labour Standards and Environmental, Social and Ethical Considerations

For the purposes of this PDS, ESG means Environmental, Social, and Governance, but can also be taken to include environmental, social or ethical considerations expressed to be considerations that may be taken into account by the Investment Manager in this PDS.

The Responsible Entity does not, in the context of making decisions relating to the Fund, take into account labour standards or environmental, social or ethical considerations, except to the extent that the Responsible Entity considers these issues have the potential to materially impact on the merits of its decisions in relation to the Fund. However, the Responsible Entity does retain ultimate responsibility for the investment decisions of the Investment Manager. The Responsible Entity relies upon selection methodology and the skills and expertise of the Investment Manager, who will take into account environmental, social or ethical considerations as described in this PDS (see Section 2.5). This means that if the sustainability or value of the Fund is adversely affected due to unacceptable, social or ethical factors, the

Responsible Entity may choose not to invest further or to dispose of the investment. The Investment Manager does not intend to take into account labour standards.

11.7. Anti-Money Laundering and Counter Terrorism Financing

In 2006, the Federal Government enacted the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (**AML/CTF Act**). The Responsible Entity is a 'reporting entity' pursuant to 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 Responsible Entity will not issue Units to a new Investor unless satisfactory identification documents are attached to the Application Form or provided to your financial advisor.

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

The Responsible Entity will maintain all information collected from prospective and actual Investors in a secure manner in accordance with the AML/CTF Act and relevant privacy principles. Information about a prospective or actual 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 (known as AUSTRAC) or other government or law enforcement agencies. The Responsible Entity may also disclose this information to other entities involved with the Fund to the extent that this information is required to fulfil that entity's AML/CTF obligations. The Responsible Entity is not liable for any loss you may suffer as a result of its compliance with the AML/CTF Act.

11.8. Common Reporting Standards (CRS)

CRS is the single global standard set by the Organisation for Economic Co-operation and Development (**OECD**) for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts. The Responsible Entity will be 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 taxpayer identification number (if applicable).

11.9. 'Disclosing entity' obligations

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

If and when the Fund is a disclosing entity, copies of any documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. Investors will also have the right to obtain a copy of the following documents from us free of charge:

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

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

11.10. Consent of experts and other parties

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

- Vasco Trustees Limited
- Vasco Fund Services Pty Limited
- ACT-S Management Pty Ltd
- DHF Investment Managers Pty Ltd
- Perpetual Corporate Trust Limited
- Grant Thornton Audit Pty Ltd

Where applicable, they have consented to the information attributed to them in this PDS in the form and context in which they have been included. Further, none of these parties have withdrawn their consent prior to the date of this PDS.

11.11. Transfer of Units and first right of refusal

Investors can transfer the ownership of their Units. However, an Investor that wishes to transfer their Units (**Transfer Units**) must give written notice (**Transfer Notice**) to each of the Responsible Entity and ACT-S (or a nominated party of ACT-S subject to the Responsible Entity's approval) specifying:

- the proposed number of Transfer Units and the proposed transfer price (**Transfer Price**);
- the name of the proposed transferee of the Units;
- any other terms of the proposed transfer; and
- a statement to the effect that ACT-S or its nominee has an option to purchase any or all of the Transfer Units at the Transfer Price and on the terms set out in the Transfer Notice.

ACT-S or its nominee may exercise its option to purchase Transfer Units by giving notice to the Investor and the Responsible Entity of the number of Transfer Units it wishes to buy within 10 Business Days after the date of service of the Transfer Notice.

If ACT-S or its nominee exercises its option to purchase Transfer Units then the Investor must sell to ACT-S or its nominee the number of Transfer Units set out in the Transfer Notice.

If ACT-S or its nominee does not exercise its option to purchase the Transfer Units in full, then the Investor may take steps to transfer any Transfer Units not purchased by ACT-S or its nominee to a third party, provided that the Investor must not take steps to transfer the Transfer Units for a Transfer Price less than the Transfer Price specified in the Transfer Notice, or on terms more beneficial to the buyer than those set out in the Transfer Notice.

Please note that where the Investor undertakes to transfer Units to a party other than ACT-S or its nominee, the transferee must meet the requirements of an Investor in the Fund and the transfer must be approved by the Responsible Entity.

Under the Constitution, the Responsible Entity has the discretion to refuse the transfer of Units in its sole discretion.

Investors should obtain professional taxation advice in relation to the taxation implications of any transfer of Units as the individual tax position of Investors can vary depending on their circumstances.

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

11.12. Reports

The Responsible Entity will provide Investors with the following reports:

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

The Investment Manager will provide Investors with a report in respect of the Fund's investments on at least an annual basis.

The Investment Manager also expects to publish regular portfolio and investment updates on a 6 monthly basis to keep Investors and prospective Investors informed about the Fund's portfolio which will be made available on the Responsible Entity's website at www.vascofm.com and the Investment Manager's website at www.actsecurities.com.au or on request from the Investment Manager.

12. Glossary of Terms

ACT-S	Means the Investment Manager, being ACT-S Management Pty Ltd (ACN 674 792 244).
ADI	Means an Australian authorised deposit-taking institution.
Administration Manager	Means Vasco Fund Services Pty Limited (ACN 610 512 331).
AFCA	Means the Australian Financial Complaints Authority.
AFSL	Means an Australian financial services licence.
AML/CTF	Means Anti-Money Laundering and Counter Terrorism Financing.
AML/CTF Act	Means the <i>Anti-Money Laundering and Counter Terrorism Financing Act 2006</i> (Cth).
Applicant	Means an applicant for Units under this PDS.
Application	Means an application for Units in accordance with this PDS.
Application Form	Means the application form attached to or accompanying this PDS.
ASIC	Means the Australian Securities and Investments Commission.
ATO	Means the Australian Taxation Office.
Auditor	Means Grant Thornton Audit Pty Ltd (ACN 130 913 594).
Banking Act	Means the <i>Banking Act 1959</i> (Cth).
Business Day	Means a day that most trading banks are open for business in Melbourne excluding any weekend or public holiday.
Compliance Plan	Means the compliance plan for the Fund as amended from time to time.
Constitution	Means the constitution for the Fund including any supplementary or replacement constitution, which are available free of charge upon request.
Corporations Act	Means the <i>Corporations Act 2001</i> (Cth).
Custodian	Means the custodian of the Fund which, at the date of this PDS, is Perpetual Corporate Trust Limited (ACN 000 341 533, AFSL 392673).
Custodian Agreement	Means the agreement entered into between the Custodian and the Responsible Entity dated 2 May 2024.
DHFIM	Means DHF Investment Managers Pty Ltd (ACN 607 120 570, AFSL 509932).
ESG	Means Environmental, Social, and Governance, but can also be taken to include environmental, social or ethical considerations expressed to be considerations that might be taken into account by the Investment Manager in this PDS.
FATCA	Means the Foreign Account Tax Compliance Act.
Fund	Means ACT-S Capital Fund (ARSN 677 329 207).
GAV	Means gross asset value of the Fund.
Investment Manager	Means ACT-S Management Pty Ltd ACN 674 792 244 as a corporate authorised representative (001309563) of DHF Investment Managers Pty Ltd (ACN 607 120 570 AFSL 509932). The Investment Manager has been authorised by DHFIM only to provide the financial services required in its role as investment manager of the Fund and not in relation to any other fund or financial services.

ACT-S Capital Fund

Investor	Means the holder of a Unit.
Issue Price	Means the price at which Units are acquired, being the net asset value of the Fund divided by the number of Units on issue, plus a buy spread.
Minimum Term	Means the minimum period after which an Investor will be able to request to withdraw from the Fund those Units to which the Minimum Term relates (provided the Fund is liquid). The Minimum Term is 3 years from the date of issue of an Investor's Units.
Offer	Means the offer of Units pursuant to this PDS.
Perpetual Corporate Trust	Means Perpetual Corporate Trust Limited (ACN 000 341 533, AFSL 392673).
REIT	Means a real estate investment trust.
Responsible Entity	Vasco Trustees Limited (ACN 138 715 009, AFSL 344486).
SPV	Means Special Purpose Vehicle.
Target Return	Means the return that the Fund aims to generate for Investors, being a return of 11% p.a. (after fees and expenses) after the third year of the Fund based on a rolling 3-year average.
TMD	Means Target Market Determination.
Unit	Means a unit in the Fund, with the rights and obligations outlined in the Constitution.
Unit Price	Means the price of Units, being the net asset value of the Fund divided by the number of Units on issue.
Vasco	Means the Vasco Group.
Withdrawal Price	Means the price at which Units are redeemed, being the net asset value of the Fund divided by the number of Units on issue, less a sell spread (where relevant).
Withdrawal Request	Means a request to withdraw Units from the Fund in accordance with this PDS.

Application Form

ACT-S Capital Fund

Use this application form if you wish to invest in:

ACT-S Capital Fund

The Product Disclosure Statement (PDS) for the ACT-S Capital Fund dated 23 July 2024 includes information about the purchasing of Units in the Fund. Any person who gives another person access to the Application Form must also give the person access to the PDS and any incorporated information. You should read the PDS and any incorporated information before completing this Application Form.

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

Customer identification

If you are a new Investor, you are also required to complete the relevant Customer Identification Form depending on what type of Investor you are (e.g. individual or super fund). The Customer Identification Forms are available on our website www.vascofm.com or by calling the Administration Manager on +61 3 8532 7120.

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

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

Important Information for Financial Advisers

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

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

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

Contact details and submission

Mail your completed Application Form and identity verification documents to:

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

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

Checklist

Before sending us your application please ensure you have:

- reviewed the Target Market Determination/s;
- completed this form in full;
- for new investments, completed the relevant 'Customer Identification Form' available on our website www.vascofm.com;
- if paying via direct debit, completed section 10 ensuring ALL bank account signatories have signed;
- if paying via cheque, ensure cheque is made payable to 'Perpetual Corporate Trust Limited ACF ACT-S Capital Fund' and attach it to this Application Form; and
- read the declaration and provide all relevant signatures and identification documents required for all signatories.

4. Contact details

This is the Investor's address where all correspondence will be sent.

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

5. Personal attributes

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

We will review the responses to the questions set out below and consider those answers against the Fund's key attributes set out in the TMD, and assess whether we consider it is likely you are within the target market and whether the Fund would likely be consistent with your likely objectives, financial situation and needs.

We may seek further information from you and reserve the right to reject an application if we consider you are not within the target market.

Personal Advice Have you received personal financial product advice in relation to this investment? Yes No

Explanation: You have received advice from a licensed financial adviser who has considered either your objectives, financial situation or needs in providing the advice.

Note: If you answer 'Yes', please provide further details below. If you answer 'No', please skip to the 'Investment Objective' sub-heading below and continue completing the questionnaire.

Adviser name

Adviser company

Adviser email or phone contact

AFS Licence name (if known)

AFS Licence number

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

Do you accept your capital is not guaranteed? Yes No

Note: An investment in the Fund is not capital guaranteed.

The Fund does not guarantee the payment of Income Distribution. Yes No

Do you accept this?

Asset Allocation Will this investment represent 10% or less of your total investable assets? Yes No

Note: An investment in the Fund is only suitable for use as a core, minor or satellite/small allocation (i.e., up to 10% of your assets available for investment excluding your residential home).

Minimum Investment Time Frame The minimum investment timeframe for this Fund is 3 years. Do you accept this? Yes No

Note: For the purposes of the 'Risk Profile' sub-heading below, the Fund is considered Very High to Extremely High risk which means returns (positive or negative) may fluctuate from year-to-year. Therefore, the minimum investment timeframe for this Fund is 3 years.

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

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

I/We declare that:

- I/we acknowledge all information provided to Vasco, including in this Application Form is true, correct and complete as of the date of this application for Units, and agree to notify Vasco promptly and provide any updated information in the form requested by Vasco (which could include an updated Application Form) within 30 days if any of the information provided to Vasco pursuant to this application ceases at any time to be true, accurate and not misleading (including by omission);
- I/we have received and read the PDS for the ACT-S Capital Fund to which this application applies together with the other important information taken to form part of the PDS and agree to be bound by the Constitution of the ACT-S Capital Fund to which this application applies (and as amended from time to time);
- I/we have carefully considered the features of the Fund as described in the current PDS and TMD/s (including its investment objectives, minimum suggested investment timeframe, risk level, withdrawal arrangements and investor suitability) and, after obtaining any financial and/or tax advice that I/we deemed appropriate, am/are satisfied that my/our proposed investment in the Fund is consistent with my/our investment objectives, financial circumstances and needs;
- I/we have legal power and capacity 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 to subscribe for units in the Fund in Australia and represent and warrant to Vasco that I/we are permitted to invest in the Fund without Vasco obtaining any further authorisation, registration or certification in any country other than Australia;
- the details of my/our investment can be provided to the adviser group or adviser named at the end of this form or nominated by them by the means and in the format that they direct;
- if this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it);
- sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the company;
- I/we acknowledge that if Vasco reasonably believes an email or facsimile communication it receives is from me/us Vasco is entitled to rely on that email or facsimile communication and will not be liable for any loss it may suffer if it is later found the email or facsimile communication was fraudulent;
- unless alternative authority for signature is notified to and accepted by Vasco, the person/persons that signs/sign this form is/are able to operate the account on behalf of the company and bind the company for future transactions, including in respect of additional deposits and withdrawals, including withdrawals by telephone and fax;
- I/we acknowledge that I/we have read and understood the information under the headings 'Privacy' in the PDS. 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. The personal data of the Applicant shall be processed in accordance with Vasco's Privacy Policy (available on request);
- I/we understand that if I/we fail to provide any information requested in this application form or do not agree to any of the possible use or disclosure of my/our information as detailed on the PDS, my/our application may not be accepted by Vasco;
- 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 acknowledge an application for Units is binding and irrevocable, and may be rejected at the sole direction of Vasco without reason (if so, application monies will be returned to the Applicant within 30 days without interest earned);
- I/we acknowledge in making a decision to invest in the ACT-S Capital Fund, the only information and representations provided by Vasco are those contained in the PDS to which this application applies together with the other information taken to form part of the PDS;
- I/we agree and acknowledge no cooling off period applies while the Fund is illiquid 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 for the purpose of Vasco satisfying its legal obligations otherwise my/our Application for Units may be refused, Units I/we hold may be compulsorily redeemed, and any disposal request by me/us may be delayed or refused and Vasco will not be liable for any loss arising as a result thereof;
- I/we have provided a tax file number, and if not, I/we consent to Vasco withholding tax at the highest marginal tax rate; and
- I/we acknowledge and agree to having read and understood the risks of investing in the fund as described in the PDS and understand that the risks associated with the Fund's investments may result in lower than expected returns or the loss of my/our investment.

I/We also warrant and acknowledge that:

- All information contained in my/our Application is true and correct;
- I/we are not a Politically Exposed Person (PEP) as defined by the AML/CTF legislation;
- I/we are not a US Person as defined under Regulation S of the US federal securities laws and will not hold Units for or on behalf of US Persons, nor am/are I/we subject to the reporting requirements of FATCA;
- if the Applicant is a SMSF, it is compliant and investing in this Fund complies with the Superannuation Industry (Supervision) Act 1993 (Cth);
- I/we hold the appropriate authorisations to become an Investor in the Fund; and
- I/we consent to receive information and regulated disclosures by email to our email address provided.

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.

Please note all signatories are required to provide a certified copy of their passport, drivers licence or other identification document(s) considered suitable to Vasco.

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)	i. Individual investor's; or ii. each joint investor's	i. Individual investor's; or ii. each joint investor's
Sole trader	i. Full name of sole trader; and ii. Full business name (if any)	Sole trader's	Sole trader's
Australian or foreign company	i. Full company name as registered with the relevant regulator; and ii. Name of each director of the company; and iii. Full name of each beneficial owner*	i. Sole director's; or ii. Two directors'; or iii. One director's and company secretary's	Company's
Trust/Superannuation fund If you are investing on behalf of a superannuation fund, we will assume the superannuation fund to be a complying fund under the Superannuation Industry (Supervision) Act 1993 (Cth).	i. Full trust/superannuation fund name (e.g. Michael Smith Pty Ltd ATF Michael Smith Pty Ltd Super Fund); and ii. Full name of the trustee(s) in respect of the trust/super fund. Where the trustee is an individual, all information in the 'Individual and Sole Traders' section must be completed. If any of the trustees are an Australian company, all information in the 'Australian company' section must also be completed; and iii. Names of beneficiaries (if identified in Constitution). iv. Full name of the settlor**; and v. Full name of each beneficial owner;	Individual trustee(s) 'as trustee for' If any of the trustees are an Australian company, the signatures set out in the 'Australian company' section are also required	Superannuation fund's or trust's
Account designation	Name of the responsible adult, as the investor	Adult(s) investing on behalf of the person/minor	Adult(s)
If the investment is being made under Power of Attorney (POA) Please ensure an original certified copy of the POA is attached to the application form. Each page of the POA must be certified.	i. Full name of each investor(s) (as listed in section 3); and ii. Full name of person holding POA (underneath signature)	Person holding Power of Attorney In the case that the POA document does not contain a sample of the POA's (i.e. Attorney's) signature, please provide a certified copy of either the POA's driver's licence or passport containing a sample of their signature	Individual investor's; or each joint investor's

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

**This is not required in some circumstances.

14. Corporate Directory

Investment Manager

ACT-S Management Pty Ltd

ACN 674 792 244

Level 1, 173 Gladstone Street

Fyshwick ACT 2609

Phone +6143774909

Web www.actsecurities.com.au

Responsible Entity

Vasco Trustees Limited

ACN 138 715 009 AFSL No. 344486

Level 4, 99 William Street

Melbourne VIC 3000

Phone +613 8352 7120

Fax +613 8352 7199

Web www.vascofm.com

Administration Manager

Vasco Fund Services Pty Limited

ACN 610 512 331

Level 4, 99 William Street

Melbourne VIC 3000

Phone +613 8352 7120

Fax +613 8352 7199

Web www.vascofm.com

Custodian

Perpetual Corporate Trust Limited

ACN 000 341 533

Level 18, 123 Pitt Street

Sydney NSW 2000