35 Latitude Development Fund

Supplementary Product Disclosure Statement

20 March 2019

IMPORTANT INFORMATION

This supplementary product disclosure statement dated 20 March 2019 (**Supplementary PDS**) supplements the Product Disclosure Statement for the 35 Latitude Development Fund **(Fund)** dated 6 September 2017 **(PDS)** and issued by Vasco Investment Managers Limited ACN 138 715 009 AFSL 344486.

This Supplementary PDS should be read together and construed together with the PDS.

A number of defined terms are used in this Supplementary PDS, the meaning of these terms is explained in section 11 (Glossary) of the Product Disclosure Statement.

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

This Supplementary PDS sets out the following important changes to the Product Disclosure Statement:

1. References to the Financial Services Ombudsman (FOS)

The Australian Financial Complaints Authority (**AFCA**) is a new external dispute resolution (**EDR**) scheme established by the Australian Government to deal with complaints from consumers and small businesses about financial products.

AFCA replaces the three existing EDR schemes including the Financial Ombudsman Service (**FOS**). AFCA began receiving complaints on 1 November 2018.

Accordingly, all references to FOS in the Product Disclosure Statement should now be read as references to AFCA.

Complaints that cannot be resolved internally by the Responsible Entity to the Unitholder's satisfaction can be taken to AFCA. You can contact the AFCA on telephone 1800 931 678 (free call within Australia), by facsimile on (03) 9613 6399 or by writing to Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne, Victoria, 3001.

2. References to AET Corporate Trust Pty Ltd

The Fund's Custodian, AET Corporate Trust Pty Ltd (**AET**), changed their name in November 2018 to Sargon CT Pty Ltd (**Sargon**). All references to AET should now be read as references to Sargon.

3. Fees and Costs

Section 9 of the PDS sets out the fees and other costs which were expected to be incurred by the Fund during its first full year as a registered managed investment scheme. This information has been updated based on the information for the financial year ending 30 June 2018.

Appendix 1 of this document replaces Section 9 of the PDS in its entirety.

We note the administration fees as disclosed in Section 9 and summarised in the Key Features section of the PDS will be increased from 1 April 2019 to $27,318.18 per annum, which is the maximum amount available under the Fund's Constitution taking into account the 3% per annum fee increases since commencement in 2017.

APPENDIX 1

9. FEES AND EXPENSES

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

CONSUMER ADVISORY WARNING

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

DID YOU KNOW?

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

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

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

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

TO FIND OUT MORE

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

9.1 Fees and Other Costs

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

Taxation information is set out in section 10.

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

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

TYPE OF FEE OR COST[1]	AMOUNT[2]	HOW AND WHEN PAID
Fees when your money moves in or out of the product		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee* The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee* The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee* The fee to close your investment	Nil	Not applicable

TYPE OF FEE OR COST[1]	AMOUNT[2]	HOW AND WHEN PAID
MANAGEMENT COSTS The fees and costs for managing your investment		
Responsible Entity Fees	**Establishment Fee** of $10,000[3]	This fee is a one-off fee and was payable to the Responsible Entity out of the Fund's assets on the date the Fund was registered, being 14 July 2017.
	Responsible Entity Fee of the greater of 0.31% per annum of the gross asset value of the Fund or $50,000 in each year thereafter.	Calculated monthly and payable to the Responsible Entity monthly in arrears from the Fund's assets.
	Administration Fee of $27,318.18 per annum.	The Administration Fee is subject to an annual increase of 3% per annum on 1 January of each year and will be paid by the Fund to the Administration Manager.
Investment Managers Fees	**Investment Management Fee** of 2.0% per annum of the monthly gross asset value of the Fund.	Calculated monthly and payable to the Investment Manager monthly in arrears from the Fund's assets.
	Acquisition Fees of up to 5.0% of the purchase price of each Property.	Calculated on the purchase price of each Property and payable to the Investment Manager on settlement of the relevant Property from the Fund's assets.
	Debt Arrangement Fees of up to 0.5% of the total amount borrowed by the Fund pursuant to a debt facility.	Calculated on the total amount of money borrowed by the Fund or a Sub-Trust pursuant to a debt facility and payable to the Investment Manager within 30 days of each drawdown under the debt facility.
Expenses	Expected to be 0.44% per annum of the gross asset value of the Fund, based on information for financial year ending 30 June 2018.	Fees are calculated on a monthly basis and paid as they fall due from the assets of the Fund on at least a monthly basis.
Performance Fee	20% of the increase in the Withdrawal Price of the Fund over a 12 month period as at the 30 June of each year.	This fee is calculated and is payable to the Investment Manager as at 30 June each year out of the Fund's assets.
Indirect Costs[4]	Expected to be up to 0.22% per annum of the gross asset value of the Fund, based on information for financial year ending 30 June 2018.	Expenses may be claimed on a monthly basis, and are deducted from the assets of each Sub Trust on at least a monthly basis.
SERVICE FEES		
Switching fee The fee for changing investment options	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 exclusive of GST as the Fund is entitled to claim 100% of the GST on the costs.
3. This fee is currently being amortised as an establishment cost; $2,144.97 was charged to the fund for the financial year ending 30 June 2018 and $2,500 is expected to be charged in each subsequent until fully amortised.
4. This fee is calculated as $1,500 per annum in Trustee fees plus expenses per Sub Trust. The total indirect costs across the Sub Trusts for the financial year ending 30 June 2018 was approximately $53,625.38 or 0.57% of GAV.

9.2 Example of Annual Fees and Costs for the Fund

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

EXAMPLE 35 LATITUDE DEVELOPMENT FUND	BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING THE YEAR	
Contribution Fees	Nil	For every $50,000 you put in, you will be charged $0.
PLUS Management Costs	4.70% per annum of the net asset value of the Fund [1,2]	And, for every $50,000 you have in the Fund, you will be charged $2,350 each year
EQUALS Cost of Fund		If you had an investment of $50,000 at the beginning of the year, you will be charged fees and costs of $2,350

1. 4.70% is the indirect cost ratio of the Fund. It is an estimate of the total management costs (which does not include transactional and operational costs) deduced from the Fund and is represented as a percentage of the net asset value of the Fund in the previous financial year.
2. Additional fees and costs may apply. Please refer to the explanation of 'Transactional and Operational Costs' and the 'Buy/Sell Spread' in the 'Additional Explanation of Fees and Costs' section.

9.3 Additional Explanation of Fees and Costs

MAXIMUM RESPONSIBLE ENTITY FEES

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

- Establishment Fee of $10,000 payable on the date the Fund was registered, being 14 July 2017. This fee was paid during the financial year ending 30 June 2018. This fee is currently being amortised as an establishment cost for unit pricing and tax purposes; $2,144.97 was charged to the fund for the financial year ending 30 June 2018;
- Administration Fee of up to $27,318.18 per annum, subject to an increase of 3 percent per annum on 1 January of each year following commencement of the Trust. The Responsible Entity pays this fee to the Administration Manager in its entirety;
- Responsible Entity Fee of up to and including the greater of 0.31% per annum of the gross asset value of the Fund and the Minimum Fee calculated and payable monthly from the registration date of the Fund to the date of final distribution or termination of the Fund;
- A removal fee equal to the balance of the fees the Responsible Entity it would have received had it remained the Responsible Entity of the Fund for three years from the date the original PDS was published being 6 September 2017 (Original Publication Date) payable where:
    - the Responsible Entity is removed as responsible entity for the Fund within three years of the date of the Original Publication Date, or
    - the Responsible Entity retires as responsible entity for the Fund within three years from the date of this PDS at the request of the Investment Manager.

  The removal fee is not payable where the Responsible Entity has been removed or retires for reasons of gross negligence or for a breach of fiduciary duty to Unitholders which causes them substantial loss.

EXPENSES

Expenses means costs incurred by the Responsible Entity and Investment Manager in the administration of the Fund and includes fees payable to the Custodian, auditor and Compliance Plan auditor and also includes other administrative expenses such as accounting and legal advice, audit fees, insurances, consulting fees, costs relating to Unitholder meetings and registry fees.

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

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

INDIRECT COSTS

The indirect costs totalled 0.57% of the gross asset value of the Fund in the 2018 financial year, including trustee and accounting fees for each of the Sub Trusts as well as other out of pocket expenses incurred in operating the Sub Trusts.

INVESTMENT MANAGER FEES

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

- **Investment Management Fee** of 2.0% per annum of the monthly gross asset value of the Fund. This fee is calculated and is payable to the Investment Manager monthly in arrears from the Fund's assets. In the 2018 financial year the Investment Management Fees total $111,871.
- **Acquisition Fees** of up to 5.0% per annum of the purchase price of each Property. This fee is calculated on the purchase price of each Property (including any stamp duty and legal fees). The Acquisition Fee is payable on the settlement of each Property. In the 2018 financial year the Acquisition Fees totalled $42,000.

  Debt Arrangement Fee of up to 0.5% of the total amount borrowed by the Fund pursuant to a debt facility. This fee is calculated on the total amount of money borrowed by the Fund or a Sub-Trust pursuant to a debt facility and payable to the Investment Manager within 30 days of each drawdown under the debt facility. In the 2018 financial year there were no Debt Arrangement Fees charged to the Fund.

BUY AND SELL SPREADS

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

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

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

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

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

EXAMPLE OF PERFORMANCE FEES

The Investment Manager is entitled to a performance fee of 20% of the increase in the Withdrawal Price of the Fund over a 12 month period as at the 30 June of each year.

The Performance Fee did not apply in respect of the year ending 30 June 2018, based on a comparison of the Withdrawal Price as at that date and the Withdrawal Price of 30 June 2017.

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

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

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

TRANSACTIONAL AND OPERATIONAL COSTS

Transaction costs are costs incurred by the Fund for buying and selling direct property and other Fund assets. They include brokerage, stamp duty, legal and tax advice, and property settlement costs.

Transaction costs of 0.75% of the gross asset value of the Fund were incurred in the 2018 financial year.

Operational costs are costs incurred by the Fund for ownership and maintenance of the Properties. They include, rates, land tax, other statutory outgoings, maintenance expenses, other general outgoings and interest rate hedging costs.

Operational costs of 0.07% of the gross asset value of the Fund were incurred in the 2018 financial year.

ABNORMAL EXPENSES

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

FEES FOR OTHER SERVICES

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

DIFFERENTIAL FEES

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

CHANGES TO FEES AND EXPENSES

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

WAIVER AND DEFERRAL OF FEES

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

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

MAXIMUM FEES

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

ADVICE FEES

The Responsible Entity does not pay advice fees.

You may agree with your financial adviser that an initial advice fee will be paid for ongoing financial planning services your financial adviser provides for you in relation to your investment. This advice fee is additional to the fees shown in Section 9.1, and is paid to the Australian financial services licensee responsible for your financial adviser (or your financial adviser directly if they are the licensee). It is not paid to the Responsible Entity.

OTHER PAYMENTS AND BENEFITS

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

Application Form

35 Latitude Development Fund

Use this application form if you wish to invest in:

35 Latitude Development Fund

This Supplementary Product Disclosure Statement (SPDS) dated 20 March 2019, and the current Product Disclosure Statement (PDS) dated 6 September 2017, for the 35 Latitude Development Fund (Fund), includes information about purchasing Units in the Fund. Any person who gives another person access to the Application Form must also give the person access to the PDS and SPDS and any incorporated information. You should read the PDS and SPDS and any incorporated information before completing this Application Form.

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

Customer identification

If you are a new Investor, you are also required to complete the relevant Customer Identification Form depending on what type of Investor you are e.g. individual or super fund. The Customer Identification Forms are available on our website www.vascofm.com or by calling our Investor Services Team on 03 8352 7120.

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

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

Important Information for Financial Advisers

When using the 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 Investment Managers Limited
Level 5, 488 Bourke Street
Melbourne VIC 3000

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

Checklist

Before sending us your application please ensure you have:

☐ completed this form in full;

☐ for new investments, completed the relevant 'Identity Verification Form' available on our website www.vascofm.com;

☐ if paying via direct debit, completed section 10 ensuring ALL bank account signatories have signed;

☐ if paying via cheque, ensure cheque is made payable to 'Sargon CT Pty Ltd ACF 35 Latitude Development Fund' and attach it to this Application Form; and

☐ read the declaration and provided all relevant signatures and identification document required for all signatories.

Application Form

35 Latitude Development Fund

PLEASE USE BLOCK LETTERS AND BLACK INK TO COMPLETE THIS APPLICATION FORM

1. Investment details

Is this a new investment or an additional investment?

☐ New investment ▶ Please proceed to section 2.

☐ Additional investment ▶ Existing account name

Existing account number

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

2. Investor type

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

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

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

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

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

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

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

3. Investor name

3A. Individual investor/joint investors/sole trader

Investor 1

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms

Date of birth

Business name of sole trader (if applicable)

Investor 2

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms)

Date of birth

3B. Super fund/Trust/Australian company/foreign company/other

Name of entity

3C. Account designation (if applicable)

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

Surname

Full given name(s)

Title (Mr/Mrs/Miss/Ms)

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

4. Contact details

This is the address where all correspondence will be sent.

Contact person

Unit number Street number

Street name

Suburb

State Postcode

Country

Phone (after hours) Phone (business hours)

Mobile Facsimile

Email

5. Tax information

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

5a. Individual investor or entity

TFN

Tax exemption

ABN

5b. Investor 2 (joint investors)

TFN

Tax exemption

5c. Non-residents

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

6. Investment allocation and payment options

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

I/we are making my/our investment via:

☐ Direct Credit/EFT → see below.

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

Fund name	Initial investment
Total Investment Amount	$, , .00

The minimum initial investment is $20,000.

Cheque Instructions: Bank Cheques or drafts must be made payable to Sargon CT Pty Ltd ACF 35 Latitude Development Fund.
Only cheques or drafts in Australian currency and drawn on an Australian bank will be accepted. Your cheque(s) should be crossed NOT NEGOTIABLE.
Mail or deliver your completed Application Form with your cheque(s) to:

Vasco Investment Managers Limited
Level 5, 488 Bourke Street
Melbourne VIC 3000

Direct Credit / EFT Instructions

Alternatively you can direct credit your application funds to:

Sargon CT Pty Ltd ACF 35 Latitude Development Fund
St. George Bank
BSB 332027
Account number 554806487
Please note the applicants name when transferring the funds.
Please ensure all funds transferred are net of all bank charges.

7. Income distributions

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

☐ Please reinvest my/our income distributions into the Fund.

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

8. Annual report

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

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

Unless requested otherwise, this will also be the bank account we credit any withdrawal proceeds and/or distributions if you requested these to be paid to you and not reinvested. By providing your nominated account details in this section you authorise Vasco to use these details for all future transaction requests that you make until notice is provided otherwise. **For additional investments, a nomination in this section overrides any previous nominations.**

Financial institution

Branch

Account name

Branch number (BSB) ___ — ___

Account number

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

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

- all details in this application and all documents provided are true and correct and I/we indemnify the Responsible Entity against any liabilities whatsoever arising from acting on any of the details or any future details provided by me/us in connection with this application;
- I/we have received a copy of the current PDS and SPDS and all information incorporated into the PDS and SPDS to which this application applies and have read them and agree to the terms contained in them and to be bound by the provisions of the current PDS and SPDS (including the incorporated information) and current constitution (each as amended from time to time);
- I/we have legal power to invest in accordance with this application and have complied with all applicable laws in making this application;
- I/we have received and accepted this offer in Australia;
- the details of my/our investment can be provided to the adviser group or adviser named at the end of this form or nominated by them by the means and in the format that they direct;
- if this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it);
- sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the company;
- I/we acknowledge that if Vasco reasonably believes an email or facsimile communication it receives is from me/us Vasco is entitled to rely on that email or facsimile communication and will not be liable for any loss it may suffer if it is later found the email or facsimile communication was fraudulent.
- unless alternative authority for signature is notified to and accepted by Vasco, the person/persons that signs/sign this form is/are able to operate the account on behalf of the company and bind the company for future transactions, including in respect of additional deposits and withdrawals, including withdrawals by telephone and fax;
- I/we acknowledge that I/we have read and understood the information under the heading 'Privacy' in the relevant PDS and SPDS. I am/We are aware that until I/we inform Vasco otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading and I/we have consented to my/our financial adviser providing such further personal information to Vasco as is required or reasonably deemed necessary by Vasco under applicable law;
- I/we understand that if I/we fail to provide any information requested in this Application Form or do not agree to any of the possible use or disclosure of my/our information as detailed on the PDS and SPDS, my/our application may not be accepted by Vasco and we agree to release and indemnify Vasco in respect of any loss or liability arising from its inability to accept an application due to inadequate or incorrect details having been provided;
- I/we acknowledge that an investment in the Fund is subject to risks, including loss of capital, and none of Vasco, or any other member of Vasco or any custodian or investment manager, guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution;
- I/we are bound by the Constitution and that an application for Units is binding and irrevocable;
- I/we have not relied on statements or representations made by anybody, other than those made in the PDS and SPDS;
- I/we agree and acknowledge no cooling off period applies and I/we have had the opportunity to seek independent professional advice on subscribing for Units;
- I/we agree and acknowledge Vasco is required to comply with the anti-money laundering laws in force in a number of jurisdictions (including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS)) and I/we must provide Vasco with such additional information or documentation as Vasco may request of me/us, otherwise my/our application for Units may be refused, Units I/we hold may be compulsorily redeemed, and any disposal request by me/us may be delayed or refused and Vasco will not be liable for any loss arising as a result thereof;
- I/we have provided a tax file number, and if not, I/we consent to Vasco withholding tax at the highest marginal tax rate;
- I/we acknowledge and agree to having read and understood the risks of investing in the fund as described in the PDS and SPDS and understand that the risks associated with the Fund's investments may result in lower than expected returns or the loss of my/our investment.

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

I/We also warrant and acknowledge that:

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

Investor 1

Signature Date / /

Surname

Given name(s)

Capacity ☐ Sole Director ☐ Director ☐ Trustee ☐ Other

Investor 2 (joint investors)

Signature Date / /

Surname

Given name(s)

Capacity ☐ Director ☐ Company Secretary ☐ Trustee ☐ Other

Signing Authority

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

☐ Only one required to sign.

☐ All signatories must sign.

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

11. Adviser Information

☐ I consent to my advisor, whose details are provided below, receiving information about my investment in the Fund.

Office name

Surname

Given name(s)

Title (Mr/Mrs/Miss/Ms

Phone (business hours)

Email

Adviser group

Adviser group AFSL

Important notes

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

Signatories

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

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

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

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

35 LATITUDE

35 LATITUDE DEVELOPMENT FUND
ARSN 620 185 266

PRODUCT DISCLOSURE STATEMENT

6TH SEPTEMBER 2017

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

INVESTMENT MANAGER:
35 LATITUDE PTY LTD ACN 610 907 474

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IMPORTANT INFORMATION

This Product Disclosure Statement (**PDS**) is dated 6 September 2017.

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

The responsible entity for the Fund and issuer of this PDS is Vasco Investment Managers Limited ACN 138 715 009 AFSL No. 344486 (**Responsible Entity**).

The investment manager for the Fund appointed by the Responsible Entity is 35 Latitude Pty Ltd ACN 610 907 474 (**Investment Manager**). The Investment Manager is a corporate authorised representative (No. 001239775) of D H Flinders Pty Ltd ACN 141 601 596 AFSL 353001 (D **H Flinders**).

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

GLOSSARY

Throughout this PDS certain defined terms are used. Defined terms appear in the Glossary of Terms in Section 12. Any images in this PDS do not depict assets of the Fund unless otherwise indicated.

UPDATED INFORMATION

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

QUESTIONS

Any questions regarding this PDS should be directed to the Investment Manager on +612 4952 1177 or the Responsible Entity on +613 8352 7120 or at info@vascofm.com or at Level 5, 488 Bourke Street, Melbourne, Victoria, 3000, Australia.

CUSTODIAN

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

ISSUE OF UNITS

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

ASIC

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

RECEIPT OF PDS

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

RESTRICTIONS ON DISTRIBUTION

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

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

AMOUNTS

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

COMPLAINTS

The Complaints Handling process for the Fund is detailed in Section 11.4

IMPORTANT WARNING STATEMENTS

No performance guarantee

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

An investment in the Fund does not represent a deposit with, or a liability of, the Investment Manager, the Responsible Entity, the Administration Manager, D H Flinders, the Custodian 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.

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

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

Unitholder returns are a function of risk/reward ratios.

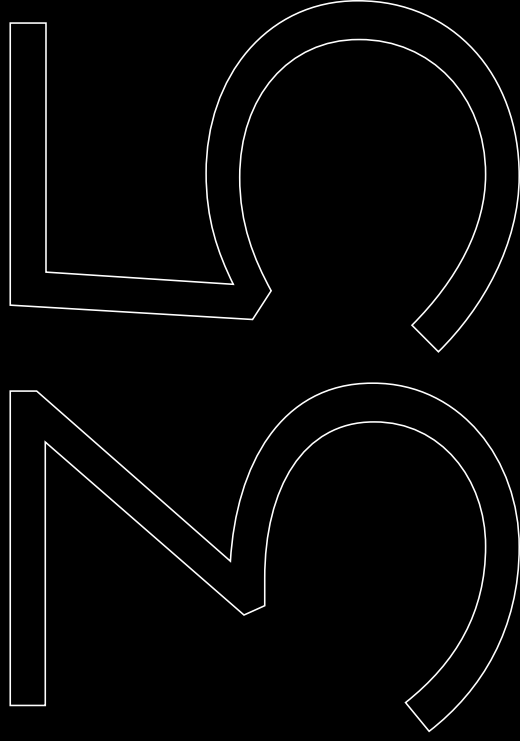
Past performance should not be perceived as an indication of future performance as returns are variable and may be lower than expected.

Should it be required to protect all investments in the Fund, the Responsible Entity, may use its discretion to delay or suspend redemptions from the Fund. Unitholders will only have limited rights to withdraw their investment if the Fund does not satisfy the statutory liquidity benchmarks. Unitholders should refer to Section 6.7 under the heading "Withdrawal Offers" for details of the redemption rights.

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

INDEPENDENT FINANCIAL ADVICE

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



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LETTER FROM THE INVESTMENT MANAGER

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

Pursuant to this PDS, the Fund seeks to invest in a range of small to medium scale residential development projects. We propose that the Fund will likely invest in about 5 to 6 projects each year, depending on the capital availability and opportunities that arise. The advantage to Unitholders in this approach is that their investment will be spread across a range of projects thereby reducing the risk of any one project not achieving the returns anticipated.

Each project consists of small (four townhouses/villas) to medium (up to 25) sized development opportunities. Each will have a different concept based on site size, layout and will generally provide a mix of dwellings in any development to provide greater price variation and choice. Dwelling types are generally either two or three bedroom townhouses or villas.

The current portfolio of the Fund is described in the document, '**Current Portfolio Holdings for 35 Latitude Development Fund**', available from www.vascofm.com or on request.

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

The funds raised under this Offer will predominantly be invested by way of acquiring small to medium sized development opportunities, predominantly in the Hunter Region of NSW. The Investment Manager will then seek to progress to the project development approval stage, with the Fund also providing working capital for the initial Project development expenses. Each project will be undertaken over approximately two years.

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

The Investment Manager expects to obtain additional debt funding from a bank for the project once planning approval has been received for the projects and sufficient pre-sales of properties to satisfy the anticipated conditions of the debt funding offer.

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

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

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

I recommend you read the entire PDS (especially Section 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.

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

Brett Brookfield
Managing Director
35 Latitude Pty Ltd

1. KEY FEATURES OF THE FUND

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

KEY FEATURE	SUMMARY
INVESTMENT MANAGER	35 Latitude Pty Ltd
RESPONSIBLE ENTITY	Vasco Investment Managers Limited
CUSTODIAN	AET Structured Finance Services Pty Limited
ADMINISTRATION MANAGER	Vasco Funds Management Pty Ltd
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 and is governed by Australian law. Prior to 14 July 2017, the Fund was an unregistered managed investment scheme that was open to investment by wholesale clients (as defined in section 761G of the Corporations Act). These current Unitholders will continue to hold Units that are issued on the same terms as the Units being offered under this PDS. The Fund provides Unitholders an opportunity to acquire Units in the Fund which entitles them to returns (primarily capital gains) generated by the Fund.
OBJECTIVE	The Fund aims to generate an attractive return through the development of real property purchased by the Fund.
CURRENT PORTFOLIO	Section 4 of this PDS contains a summary of the Fund's property portfolio as at the date of this PDS.
GUIDELINES	The Investment Manager will identify further Properties, obtain development approvals and project manage the development process of each Project. Projects targeted will be predominantly medium density developments in the metropolitan areas of the Hunter Region of New South Wales. The Investment Manager might in some instances decide to buy options over a Property or sell an option or land directly at any stage during the development cycle to maximise the returns of an investment opportunity.
TARGET RETURN	The Investment Manager is targeting a gross return to Unitholders of approximately 10% per annum over a 3 year time frame (pre-tax, after fees and expenses but before withholding tax payable by foreign resident Unitholders). This is a target return only and is not a forecast or a guaranteed return.
MINIMUM INVESTMENT	$20,000 then in multiples of $10,000.
DISTRIBUTION OF INCOME	The Responsible Entity intends to make distributions of income at the end of each Financial Year, which will be paid by 30 September of each year, following the audit of the Fund's annual accounts. The availability of income to distribute is contingent on the completion of a Project and the sale of all units and townhouses developed as part of that Project. Given the development stage of the Fund's Projects, it is unlikely a distribution of income will be made in the first Financial Year of the Fund. Distributions to Unitholders will take into account the number Units held by the Unitholders at the time the Distribution is calculated.

WITHDRAWALS	Unitholders will have no rights to withdraw from the Fund and an investment in the Fund should therefore be considered an illiquid investment. Unitholders only opportunity to withdraw from the Fund will be in response to a Withdrawal Offer made by the Responsible Entity, subject to Unitholders having been invested in the Fund for the Minimum Term (see below). The Responsible Entity only anticipates making Withdrawal Offers on completion of each Project, and does not anticipate making a Withdrawal Offer for at least 1 year following the date of this PDS.
MINIMUM TERM	There is a Minimum Term of 24 months before Unitholders can participate in any Withdrawal Offers made by the Responsible Entity.
BUY-SELL SPREAD	Investments and withdrawals may incur buy and sell spreads, which are designed to ensure, as far as practicable, that any transaction costs incurred as a result of an investor entering or leaving the Fund are borne by that investor, and no other investors. As at the date of this PDS, a buy spread of 1% applies to the Fund and there is no sell spread. Current buy and sell spreads can be obtained online at www.vascofm.com or by contacting us. The buy and sell spread is not an additional fee paid to the Responsible Entity but is retained by the Fund to cover transaction costs. Buy and sell spreads are not applied to the reinvestment of distributions.
FEES	All fees outlined below are inclusive of GST and net of input tax credits. **Responsible Entity** The Responsible Entity is entitled to the following fees: - an **Establishment Fee** of $10,450 - a **Responsible Entity Fee** of the greater of 0.3135% per annum of the gross asset value of the Fund and: o $41,800 for the first year commencing 14 July 2017, and o $52,250 in each year thereafter - an **Administration Fee** of $15,836.25 per annum while the Fund has a gross asset value of $20 million or less. Once the Fund has a gross asset value of more than $20 million, this fee will increase to $25,625 per annum. **Investment Manager** The Investment Manager is entitled to the following fees: - a **Management Fee** from the Fund of 2.1% per annum of net asset value of the Fund payable monthly in arrears - an **Acquisition Fee** of up to 5.1% of the property purchase price for each acquisition by the Fund - a **Performance Fee** of 20.5% of the increase in the Withdrawal Price of the Fund over a 12 month period as at the 30 June of each year. - a **Debt Arrangement Fee** of 0.5% of any borrowings made by the Fund.
EXPENSES	The Responsible Entity has the right to claim Expenses incurred by it in the proper performance of its duties in respect of the Fund. These are the costs incurred in operating the Fund and include custodial fees, accounting and legal advice, audit fees, insurances, consulting fees, costs relating to Unitholder meetings and registry fees. These expenses will vary from year to year, but are expected to be no more than 0.30% per annum.
GEARING	The Fund expects to borrow to fund construction costs and will limit all gearing to no more than 70% of the value of the Property used to secure the loan. Borrowings will be either on a Project-by-Project basis secured by the Property acquired by the Fund for each Project, or on a Fund-wide basis, using multiple Properties to secure any debt facility.
COOLING-OFF PERIOD	As at the date of this PDS there is no cooling off period as the Fund is not liquid.
RISKS	The Fund will invest in property development projects, which means an investment in the Fund carries a higher level of risk than an investment in a typical property fund that owns tenanted commercial property. Applicants should be aware that the value of the Fund properties and the income it generates could be negatively influenced by a number of factors and Unitholders may suffer losses.

2. ASIC BENCHMARKS AND DISCLOSURE PRINCIPLES

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

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

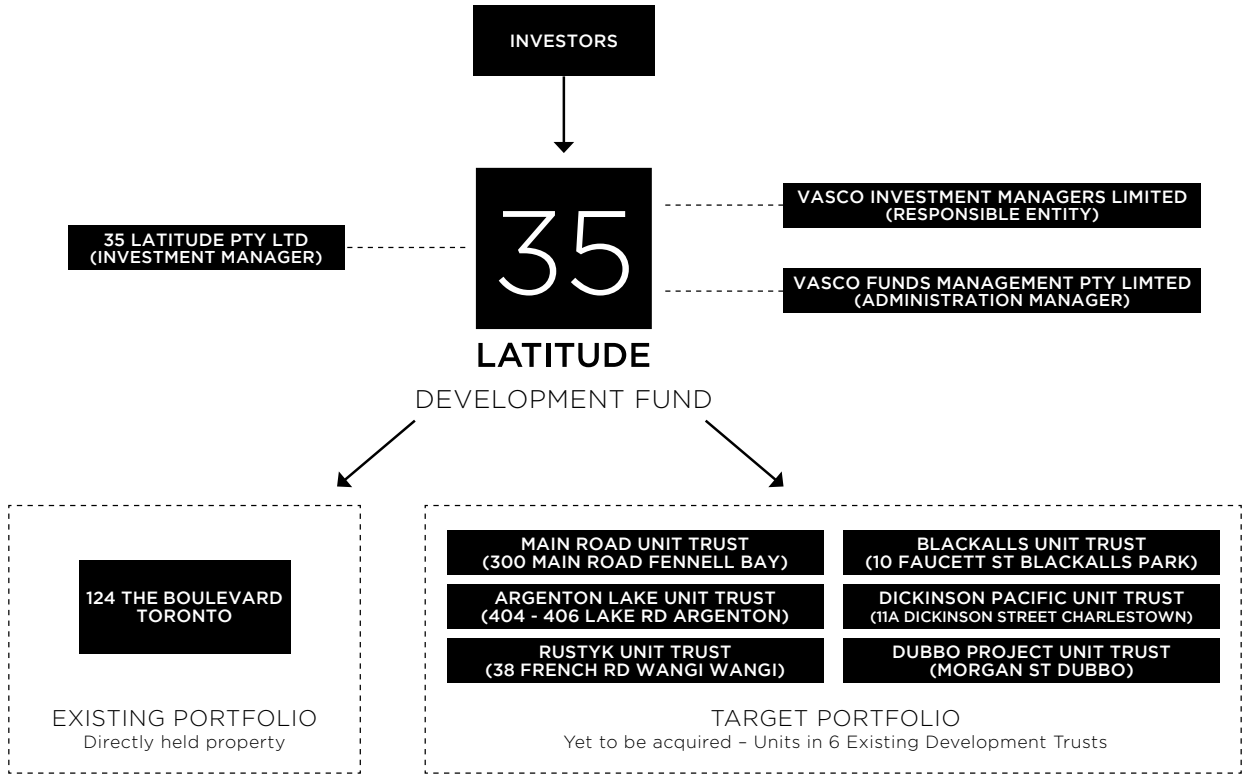
The table below provides an overview of the benchmarks and disclosure principles. Further information on how these apply to the Fund is contained in the document, '**ASIC benchmarks and disclosure principles for the 35 Latitude Development Fund**', available from the Responsible Entity's website at www.vascofm.com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

BENCHMARK / DISCLOSURE PRINCIPLE	EXPLANATION	SECTION IN THIS PDS (IF APPLICABLE)
Gearing	This illustrates to what extent an unlisted property fund is financed by debt.	3.9
Interest cover	This discloses the ability of an unlisted property fund to meet its interest payments from revenue or earnings.	3.10
Interest capitalisation	This indicates whether an unlisted property fund's interest expenses are capitalised (i.e. added to the principal amount), or whether the unlisted property fund meets interest payment obligations from its earnings.	3.10
Scheme borrowing	This is information about the credit facilities of an unlisted property fund, including what type of events will cause a breach of the credit facilities.	
Portfolio diversification	This addresses an unlisted property fund's portfolio of property assets, including how this is diversified.	3.4
Valuations	This addresses how an unlisted property fund obtains valuations for its real property assets, including frequency of valuations.	3.10
Related party transactions	Information is provided on transactions the responsible entity has with parties with whom it has a close relationship.	11.5
Distribution practices	This addresses an unlisted property fund's practices for paying distributions, and the source of funds for the distribution.	6.6
Withdrawal arrangements	This is information on the rights of unitholders to withdraw from an unlisted property fund, including any conditions that may be attached to the withdrawal.	6.8

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

3. INVESTMENT STRATEGY

3.1. INVESTMENT STRUCTURE



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

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

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

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

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

3.2 CURRENT AND TARGET PORTFOLIO

A description of the Fund's Current Portfolio as at the date of this PDS is set out in section 4.

A description of the assets which the Fund is proposing to acquire shortly after to the issue of this PDS is outlined in section 5.

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

3.3. INVESTMENT CRITERIA

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

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

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

3.4. LOCATION OF PROJECTS

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

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

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

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

3.5. PROPERTY TYPES

It is anticipated the Fund's Projects will consist of small (four townhouses/villas) to medium (up to 25 townhouses/villas) sized development opportunities. Each Project will have a different concept based on the size and layout of the Property and the Investment Manager's view of the best use for the Property based on the particular market conditions and requirements. The Investment Manager will generally seek to provide a mix of dwellings in any development to provide greater price variation and choice. Dwelling types will generally be either two or three bedroom townhouses or villas.

3.6. DESIGN, APPROVAL AND CONSTRUCTION PROCESS

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

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

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

3.7. DEVELOPMENT STAGES

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

CONCEPT DESIGN

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

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

DEVELOPMENT APPLICATION

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

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

MARKETING AND SALES
This will begin before the final development approval has been obtained. An agreed marketing strategy will be put in place to maximise pre-sales outcomes prior to commencing construction with the agent appointed to sell the constructed Apartments.

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

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

3.8. BORROWING POLICY

Borrowing by the Fund is known as gearing. Repayment of borrowings ranks ahead of Unitholders' interests in the Fund and payment of interest on borrowings must be funded prior to any distributions being made to Unitholders. See section 8 for further information about the risks involved in geared investments.

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

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

3.9. GEARING RATIO

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

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

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

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

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

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

3.10. INTEREST COVER RATIO

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

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

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

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

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

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

3.11. VALUATION POLICY

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

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

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

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

1. **DA Submission**
   Valuation is equal to Property acquisition costs PLUS all accrued consultant costs PLUS 5%

2. **DA Approval**
   Valuation is equal to Property acquisition costs PLUS all accrued consultant costs PLUS 15%

3. **Commencement of Construction**
   Valuation is equal to Property acquisition costs PLUS all accrued consultant costs PLUS council costs PLUS 20% PLUS site capital work costs

4. **Project Completion**
   Valuation is equal to realised sales values MINUS total costs

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

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

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

4. CURRENT PORTFOLIO

A description of the Fund's portfolio as at the date of this PDS is set out below.

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

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

4.1. 124 THE BOULEVARDE TORONTO

DEVELOPMENT PROFILE

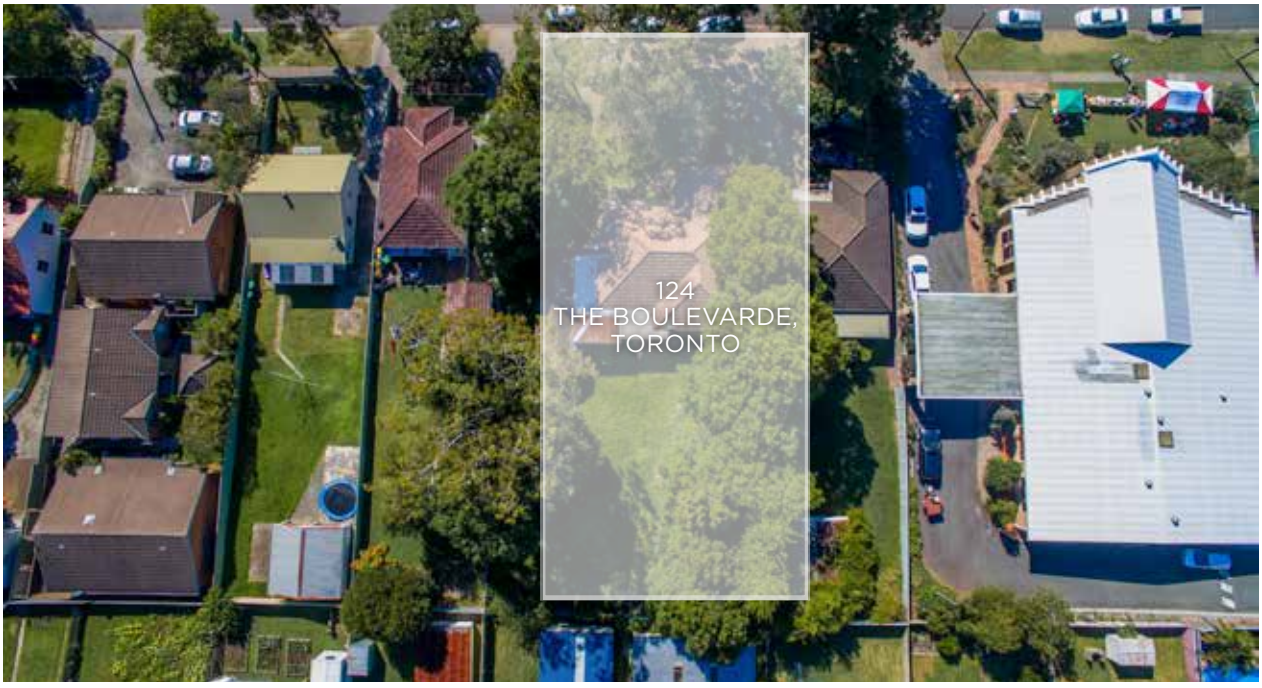
A small boutique development within walking distance of local shops, cafes and lakes edge in Toronto, featuring six 3 bedroom dwellings which has been lodged with the Lake Macquarie City Council. The Project is currently being assessed by council which is expected to take up to 6 months.

VALUATION

An independent valuation report by TEW Property Consultants as 1 July 2017 provided that the current market value/ fair value of the property "As Is" with existing development approval for demolition of the existing structure, multiple dwelling housing and development of 6 residential strata titled units is **$600,000**.

The specific assumptions and investment parameters that went into calculating the valuation are set out below as follows:

ITEM DESCRIPTION	FACTOR	COMMENT
Gross Realisation	$2,890,000	The valuer was of the opinion the gross realisation is representative within a range of anticipated Market Value as could be achieved for the subject development assuming each unit is marketed as if completed and each has independent strata title.
GST		The valuer was instructed that the developer will utilise the margin scheme.
Timeframe	16 months	Actions include achieve development approval consent, release construction certificate, construction and sale.
Agents Fees – Marketing and Advertising	2.5%	Including marketing
Profit and Risk	20%	The valuer was instructed that the profit margin for the investment model is to be 8%. The valuer considered a risk margin based upon the existence of development consent and that construction design and documentation have been completed and are awaiting issue.
Construction Costs	$1,452,000	The construction costs appear to be within a range which the valuer has experience of under the current market conditions for similar type developments.
Outstanding Cost Factors	$311,999	These items remain unpaid: - Section 94 - Demolition - Water and Energy Services - Construction Certificate
Interest and Holding changes		The valuer was instructed to assume 100% equity funding. The valuer was specifically instructed to assume nil interest impact in our calculation of residual land value. Furthermore, the valuer considered applicable rates and taxes only.
Individual Property Profile		16 double storey townhouses offering two and three bedrooms, two bathrooms with an additional powder room, double car garage with additional onsite visitor parking.



5. TARGET PORTFOLIO

5.1. OVERVIEW

The Fund is planning on purchasing units in six existing unit trusts (Development Trusts), each of which are undertaking development projects managed by the Investment Manager as follows:

DEVELOPMENT TRUST NAME	PROPERTY	STATUS OF PROJECT AS OF 6TH SEPTEMBER
Main Road Unit Trust	300 Main Rd Fennell Bay	Finalising construction certificate, building tenders and finance. 10 exchanged contracts with 3 remaining
Blackalls Unit Trust	10 Faucett St Blackalls Park	Finalising construction certificate, building tenders and finance. Currently 9 exchanged contracts with 6 remaining
Argenton Lake Unit Trust	404-406 Lake Rd Argenton	Finalising construction certificate, building tenders and finance. Currently 3 exchanged contracts with 6 remaining
Dickinson Pacific Unit Trust	11a Dickinson Street Charlestown	Finalising construction certificate, building tenders and finance. Marketing has begun for sale of townhouses
Rustyk Unit Trust	38 French Rd Wangi Wangi	Finalising construction certificate, building tenders and finance. Currently 4 exchanged contracts with 1 unit and commercial space remaining.
Dubbo Project Unit Trust	Morgan St Dubbo	Finalising construction certificate and building civil construction tenders. Marketing to commence once civil construction begins.

It is intended that units in the Development Trusts will be purchased from the existing unit holders in the Development Trusts. It is anticipated that these existing Unit Holders will transfer their units to the Fund in consideration for Units in the Fund.

The Fund has sought stamp duty advice confirming that the acquisition of these units will be subject to stamp duty and capital gain tax roll over relief, meaning no stamp duty or capital gain is payable on the transfers to the Fund.

The value of each property held by each Development Trust, independently valued by TEW Property Consultants as at 30 June 2017, is summarised as follows:

PROPERTY	VALUATION "AS IS"	CONSTRUCTION COSTS	GROSS REALISATION
300 Main Rd Fennell Bay	$1,075,000	$3,300,000	$5,616,000
10 Faucett St Blackalls Park	$975,000	$3,600,000	$5,858,000
404-406 Lake Rd Argenton	$945,000	$2,250,000	$4,133,000
11a Dickinson Street Charlestown	$1,300,000	$2,200,000	$4,720,000
38 French Rd Wangi Wangi	$480,000	$1,400,000	$2,423,000
Morgan St Dubbo	$1,000,000	$2,250,000	$5,340,000

Expanding the portfolio of the Fund in this manner is intended to improve the diversification of the investment portfolio as well as the marketability of the Fund, thereby attracting more investors. A larger pool of investments is also intended to improve the Fund's ability to borrower at a cheaper rate, as larger banks and financiers are more inclined to lend to entities with established portfolios.

Each development project within the Development Trusts is described in further detail below.

5.2. 300 MAIN ROAD FENNELL BAY

SUMMARY

A 2,648m2 site in Fennell Bay with development approval granted to construct a property mix of 13 Townhouses and Villas. Fennell Bay is regarded as one of the lakes best kept secrets. Resting only five minutes from Toronto with a large range of cafes, restaurants, supermarkets and every day services such as banks, post office, pharmacies, Fennell Bay delivers a true sense of seclusion while remaining in close proximity to quality schools, cinemas, major shopping centres and an abundance of lifestyle activities.

DEVELOPMENT PROFILE

A boutique development of nine townhouses and four villas showcases all the hallmarks of superior open plan living combined with modern features and fixtures. Bordering a premium waterfront reserve, each home is positioned moments away from the Lake's pristine shoreline and an easy five-minute drive from the local shopping community of Toronto.

VALUATION

An independent valuation report by TEW Property Consultants as 1 July 2017 provided that the current market value/fair value of the property "As Is" with existing development approval for demolition of existing structure and development of 13 residential strata titled units is **$1,075,000**.

The specific assumptions and investment parameters that went into calculating the valuation are set out below as follows:

ITEM DESCRIPTION	FACTOR	COMMENT
Gross Realisation	$5,616,000	The valuer was of the opinion the gross realisation is representative within a range of anticipated Market Value as could be achieved for the subject development assuming each unit is marketed as if completed and each has independent strata title.
GST		The valuer was instructed that the developer will utilise the margin scheme.
Timeframe	15 months	Actions include release construction certificate, construction and sale.
Agents Fees – Marketing and Advertising	2.5%	Including marketing
Profit and Risk	13%	The valuer was instructed that the profit margin for the investment model is to be 8%. The valuer considered a risk margin based upon the existence of development consent and that construction design and documentation have been completed and are awaiting issue.
Construction Costs	$3,300,000	The valuer was considered the construction cost to be within a range which they have experience of under the current market conditions for similar type developments.
Outstanding Cost Factors	$178,000	These items remain unpaid: - Section 94 - Demolition - Water and Energy Services
Interest and Holding changes		The valuer was instructed to assume 100% equity funding. Therefore, the valuer was specifically been instructed to assume nil interest impact in our calculation of residual land value. Furthermore, the valuer considered applicable rates and taxes only.
Individual Property Profile		A total of 13 individual properties that comprise of eight double storey townhouses and five single level villas. The property mix consists of two and three bedrooms, one – two bathrooms all with an additional powder room and a single car garage with additional onsite visitor parking.

5.3. 10 FAUCETT STREET BLACKALLS PARK

SUMMARY

A 2,700m2 site in Blackalls Park with Development Approval granted to construct a property mix of 15 Townhouses. Blackalls Park is a secluded hamlet located in the City of Lake Macquarie immediately northwest of the town of Toronto. It enjoys a wide range of leisure activities while remaining only a short 5-minute drive to supermarkets, retail stores, banks, post office, workers club and a range of everyday essentials. The easy care layout and peaceful location within a close-knit community combine to deliver a secure retreat while remaining central to shopping, restaurants and a host of watersports.

DEVELOPMENT PROFILE

Boasting a desirable contemporary design, this stunning new development offers 15 brand new townhouses, with quality appointments throughout and delivering several floorplan choices. Surrounded by a wealth of leisure activities, moments from Toronto's bustling shopping village and providing all the benefits of Lakeside living, these stylish townhouses will be instantly appealing to singles, couples, market newcomers and savvy investors.

VALUATION

An independent valuation report by TEW Property Consultants as 1 July 2017 provided that the current market value/ fair value of the property "As Is" with existing development approval for demolition of existing structure, multiple dwelling housing and development of 15 residential strata titled units is **$975,000**.

The specific assumptions and investment parameters that went into calculating the valuation are set out below as follows:

ITEM DESCRIPTION	FACTOR	COMMENT
Gross Realisation	$5,858,000	The valuer was of the opinion the gross realisation is representative within a range of anticipated Market Value as could be achieved for the subject development assuming each unit is marketed as if completed and each has independent strata title.
GST		The valuer was instructed that the developer will utilise the margin scheme.
Timeframe	15 months	Actions include release construction certificate, construction and sale.
Agents Fees – Marketing and Advertising	2.5%	Including marketing
Profit and Risk	13%	The valuer was instructed that the profit margin for the investment model is to be 8%. The valuer considered a risk margin based upon the existence of development consent and that construction design and documentation have been completed and are awaiting issue.
Construction Costs	$3.,600,000	The construction costs appear to be within a range which the valuer has experience of under the current market conditions for similar type developments.
Outstanding Cost Factors	$291,000	These items remain unpaid: - Section 94 - Demolition - Water and Energy Services
Interest and Holding changes		The valuer was instructed to assume 100% equity funding. Therefore, the valuer was specifically instructed to assume nil interest impact in our calculation of residual land value. Furthermore, the valuer considered applicable rates and taxes only.
Individual Property Profile		15 double storey townhouses offering two and three bedrooms, two bathrooms with an additional a powder room, single or double car garages with additional onsite visitor parking.

5.4. 404-406 LAKE ROAD ARGENTON

SUMMARY

A 1,900m2 site in Argenton with development approval granted to construct a mix of 9 Townhouses with views over a premier Golf Course. Argenton is readily accessible to a range of dining options, retail opportunities, aquatic activities and public transport. The central position of these townhouses is attractive to a range of buyers with an easy walk to Glendale Super Centre for everyday items, retail therapy or alternatively Waratah Golf Course is on the doorstep. Only a short five-minute drive away is the cosmopolitan heart of Warners Bay that is home to cycleways, walking paths, boating and a host of leisure activities.

DEVELOPMENT PROFILE

A boutique development of nine townhouses providing views over the "Waratah Golf Course". Showcasing open plan living combined with modern features and fixtures, each home is positioned moments away from the Lake Macquarie's emerging retail hub of Stockland Glendale along with easy access to public transport.

VALUATION

An independent valuation report by TEW Property Consultants as 1 July 2017 provided that the current market value/ fair value of the property "As Is" with existing development approval for demolition of existing structure, multiple dwelling housing and development of 9 residential strata titled units is **$945,000.**

The specific assumptions and investment parameters that went into calculating the valuation are set out below as follows:

ITEM DESCRIPTION	FACTOR	COMMENT
Gross Realisation	$4,133,000	The valuer was of the opinion the gross realisation is representative within a range of anticipated Market Value as could be achieved for the subject development assuming each unit is marketed as if completed and each has independent strata title.
GST		The valuer was instructed that the developer will utilise the margin scheme.
Timeframe	14 months	Actions include release construction certificate, construction and sale.
Agents Fees – Marketing and Advertising	2.5%	Including marketing
Profit and Risk	13%	The valuer was instructed that the profit margin for the investment model is to be 8%. The valuer considered a risk margin based upon the existence of development consent and that construction design and documentation have been completed and are awaiting issue.
Construction Costs	$2,250,000	The construction costs appear to be within a range which the valuer has experience of under the current market conditions for similar type developments.
Outstanding Cost Factors	$158,000	These items remain unpaid: - Section 94 - Demolition - Water and Energy Services
Interest and Holding changes		The valuer was instructed to assume 100% equity funding. Therefore, the valuer was specifically been instructed to assume nil interest impact in our calculation of residual land value. Furthermore, the valuer considered applicable rates and taxes only.
Individual Property Profile		9 double storey townhouses offering two and three bedrooms, two bathrooms, single car garage with additional onsite visitor parking.

5.5. 11A DICKINSON STREET CHARLESTOWN

SUMMARY

A double block with rear street access in the heart of Charlestown with development approval granted to construct a mix of 8 Townhouses. As the retail heart of Newcastle and Lake Macquarie, Charlestown is centrally located. Property is all about location and this site is strategically bordering the Pacific Highway, an arterial road in and out of Newcastle and Sydney, its connectivity and ease is evident. Charlestown is conveniently positioned just 15 minutes' drive to Newcastle, 8 minutes to the shores of Lake Macquarie and 1.5 hours from Sydney.

DEVELOPMENT PROFILE

A striking development of eight townhouses in walking distance to CBD of Charlestown and Charlestown Square. Featuring a sharp design to showcase the available views from the upstairs living spaces, this development also features modern open plan living.

VALUATION

An independent valuation report by TEW Property Consultants as 1 July 2017 provided that the current market value/ fair value of the property "As Is" with existing development approval for demolition of existing structure, multiple dwelling housing and development of 8 residential strata titled units is **$1,300,000**.

The specific assumptions and investment parameters that went into calculating the valuation are set out below as follows:

ITEM DESCRIPTION	FACTOR	COMMENT
Gross Realisation	$4,720,000	The valuer was of the opinion the gross realisation is representative within a range of anticipated Market Value as could be achieved for the subject development assuming each unit is marketed as if completed and each has independent strata title.
GST		The valuer was instructed that the developer will utilise the margin scheme.
Timeframe	13 months	Actions include release construction certificate, construction and sale.
Agents Fees – Marketing and Advertising	2.5%	Including marketing
Profit and Risk	13%	The valuer was instructed that the profit margin for the investment model is to be 8%. We have considered a risk margin based upon the existence of development consent and that construction design and documentation have been completed and are awaiting issue.
Construction Costs	$2,200,000	The construction costs appear to be within a range which the valuer has experience of under the current market conditions for similar type developments.
Outstanding Cost Factors	$166,000	These items remain unpaid: - Section 94 - Demolition - Water and Energy Services
Interest and Holding changes		The valuer was instructed to assume 100% equity funding. Therefore, the valuer was specifically instructed to assume nil interest impact in our calculation of residual land value. Furthermore, the valuer considered applicable rates and taxes only.
Individual Property Profile		8 double storey townhouses offering two and three bedrooms, two bathrooms with an additional a powder room, single or double car garages with additional onsite visitor parking.

5.6. 38 FRENCH ROAD WANGI WANGI

SUMMARY

A boutique site capturing lake views in Wangi Wangi with development approval granted to construct a 5 Apartments adjoining the Village Centre. Wangi Wangi forms a peninsula jutting eastwards into Lake Macquarie. This lake side retreat is a well known holiday spot. It is known for its beautiful lake views, bush-walking, and fishing spots while resting only minutes from Toronto CBD that presents an array of cafes, restaurants, supermarkets and every day services.

DEVELOPMENT PROFILE

A boutique development of five apartments over two levels, including ground floor parking and a small commercial space, this design captures lake views by every apartment.

VALUATION

An independent valuation report by TEW Property Consultants as 1 July 2017 provided that the current market value/ fair value of the property "As Is" with existing development approval for a mixed use development (commercial premises and residential flat building) with 5 residential strata units and 1 commercial strata titled units is **$480,000**.

The specific assumptions and investment parameters that went into calculating the valuation are set out below as follows:

ITEM DESCRIPTION	FACTOR	COMMENT
Gross Realisation	$2,413,000	The valuer was of the opinion the gross realisation is representative within a range of anticipated Market Value as could be achieved for the subject development assuming each unit is marketed as if completed and each has independent strata title.
GST		The valuer was instructed that the developer will utilise the margin scheme.
Timeframe	11 months	Actions include release construction certificate, construction and sale.
Agents Fees – Marketing and Advertising	2.5%	Including marketing
Profit and Risk	13%	The valuer was instructed that the profit margin for the investment model is to be 8%. The valuer considered a risk margin based upon the existence of development consent and that construction design and documentation have been completed and are awaiting issue.
Construction Costs	$1,400,000	The construction costs appear to be within a range which the valuer has experience of under the current market conditions for similar type developments.
Outstanding Cost Factors	$79,000	These items remain unpaid: - Section 94 - Water and Energy Services
Interest and Holding changes		The valuer was instructed to assume 100% equity funding. Therefore, the valuer was specifically instructed to assume nil interest impact in our calculation of residual land value. Furthermore, the valuer has considered applicable rates and taxes only
Individual Property Profile		5 single level apartments with lift access, offering two and three bedrooms, two – three bathrooms, single or double car parks.

5.7. MORGAN STREET DUBBO

SUMMARY

An integrated site consisting of 15 blocks dedicated for small lot housing along with a master villa site to house 12 two bedroom villas. Development approval has been granted with demolition and tree removal complete. We are currently completing construction certificate stage and sourcing tenders for civil construction.

VALUATION

An independent valuation report by TEW Property Consultants as 1 July 2017 provided that the current market value/ fair value of the property "As Is" with existing development approval for 16 lot community title subdivision, mutli-dwelling housing (12 units) and strata subdivision (staged) is **$1,000,000.**

The specific assumptions and investment parameters that went into calculating the valuation are set out below as follows:

ITEM DESCRIPTION	FACTOR	COMMENT
Gross Realisation	$5, 340,000	The valuer was of the opinion the gross realisation is representative within a range of anticipated Market Value as could be achieved for the subject development assuming each unit is marketed as if completed and each has independent strata title. Indeed, the adopted estimate of vacant land sales appears to be toward the low end of sales evidence analysed.
GST		The valuer was instructed that the developer will utilise the margin scheme.
Timeframe	37 months	Actions include release construction certificate, construction and sale in a 2 stage development.
Agents Fees – Marketing and Advertising	2.5%	Including marketing
Profit and Risk	25%	The valuer was instructed that the profit margin for the investment model is to be 8%. The valuer considered a risk margin based upon the existence of development consent and that construction design and documentation have been completed and are awaiting issue. The proposal is situated in a regional city and would attract a measure associated with its realisation timeframe as a consequence.
Construction Costs	$2,250,000	The construction costs appear to be within a range which the valuer has experience of under the current market conditions for similar type developments.
Outstanding Cost Factors	$520,000	These items remain unpaid: - Section 94 - Water and Energy Services
Interest and Holding changes		The valuer was instructed to assume 100% equity funding. Therefore, the valuer was specifically instructed to assume nil interest impact in our calculation of residual land value. Furthermore, the valuer considered applicable rates and taxes only.
Individual Property Profile		Stage one of the development consist of constructing the initial infrastructure of the estate including electricity upgrade to the site, installation of roadway, sewer, stormwater and water system along with street lighting. Once complete the initial land subdivision can be registered and land sales completed.

STAGE 2 DEVELOPMENT PROFILE

Stage 2 of the development consists of the construction of the 12 residential Villa's and their on sale.

ITEM DESCRIPTION	FACTOR	COMMENT
Gross Realisation	$5, 340,000	The valuer was of the opinion the gross realisation is representative within a range of anticipated Market Value as could be achieved for the subject development assuming each unit is marketed as if completed and each has independent strata title. Indeed, the adopted estimate of vacant land sales appears to be toward the low end of sales evidence analysed.
GST		The valuer was instructed that the developer will utilise the margin scheme.
Timeframe	37 months	Actions include release construction certificate, construction and sale in a 2 stage development.
Agents Fees – Marketing and Advertising	2.5%	Including marketing
Profit and Risk	25%	The valuer was instructed that the profit margin for the investment model is to be 8%. The valuer considered a risk margin based upon the existence of development consent and that construction design and documentation have been completed and are awaiting issue. The proposal is situated in a regional city and would attract a measure associated with its realisation timeframe as a consequence.
Construction Costs	$2,250,000	The construction costs appear to be within a range which the valuer has experience of under the current market conditions for similar type developments.
Outstanding Cost Factors	$520,000	These items remain unpaid: - Section 94 - Water and Energy Services
Interest and Holding changes		The valuer was instructed to assume 100% equity funding. Therefore, the valuer was specifically instructed to assume nil interest impact in our calculation of residual land value. Furthermore, the valuer considered applicable rates and taxes only.
Individual Property Profile		12 single level villas offering two bedrooms, one bathroom, single car garage.

6. DETAILS OF THE OFFER

6.1. UNITS

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

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

6.2. ISSUE OF UNITS

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

6.3. UNIT PRICE

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

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

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

6.4. MINIMUM INVESTMENT

The minimum investment in the Fund is $20,000, then in multiples of $10,000 thereafter.

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

6.5. TARGET RETURN

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

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

6.6. DISTRIBUTION OF INCOME

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

Distributions will only be made from the income earned by the Fund over the course of the preceding year, which will be generated from the completion of a Project and the sale of all units and townhouses developed as part of that Project. Given the development stage of the Fund's Projects as at the date of this PDS, it is unlikely a distribution of income will be made in the first Financial Year of the Fund.

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

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

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

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

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

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

6.7. TERM OF INVESTMENT

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

Withdrawal Offers will only be made subject to available liquidity, and are expected as and when development projects are completed by the Fund. The first Withdrawal Offer is expected to be made within 12 months of the date of this PDS. See section 6.8 below for more information about how to participate in Withdrawal Offers.

6.8. WITHDRAWAL OFFERS

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

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

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

Withdrawal Offers will be published on the Responsible Entity's website, at www.vascofm.com and communicated to you via email.

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

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

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

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

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

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

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

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

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

6.9. TRANSFER OF UNITS

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

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

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

6.10. SURPLUS LIQUID INVESTMENTS

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

6.11. REPORTS

The Responsible Entity will provide Unitholders with the following reports:

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

7. ROLES AND RESPONSIBILITIES

7.1. INVESTMENT MANAGER – 35 LATITUDE DEVELOPMENT PTY LTD

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

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

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

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

7.2. RESPONSIBLE ENTITY

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

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

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

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

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

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

7.3. CUSTODIAN

The Responsible Entity has appointed AET Structured Finance Services Pty Limited (**Custodian**) under a Custodian Agreement.

The Custodian's role is to hold the assets in its name and act on the direction of the Responsible Entity to effect cash and investment transactions, including bank accounts, all securities including mortgages and other investments of the Fund separate from the assets of the Investment Manager and the Responsible Entity.

The Custodian has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to a unit holder for any act done or omission made in accordance with the Custodian Agreement.

Australian Executor Trustees Limited (AET) and its related entities are one of Australia's largest and oldest licensed trustee companies. AET has been providing custody and trustee services for over 130 years, having been established in 1880. AET is a member of the IOOF Holdings Limited (IOOF) Group, a leading provider of wealth management products and services in Australia. IOOF is an ASX200 listed company.

7.4. ADMINISTRATION MANAGER

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

7.5. AUDITOR AND COMPLIANCE PLAN AUDITOR

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

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

8. RISKS

All investments involve varying degrees of risk.

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

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

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

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

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

8.1. PROPERTY AND DEVELOPMENT RISKS

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

8.2. MARKET RISK

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

8.3. PLANNING AND DEVELOPMENT RISK

The Fund will undertake planning works and there are numerous risks associated with such works. For example, the Fund could be exposed to adverse planning and building approvals and timing delays which could occur at any stage of the process, increasing the duration of Projects and impacting negatively on cash flows. Approval may not be granted or granted on conditions the Responsible Entity does not find acceptable. These risks cannot be completely mitigated however the Responsible Entity intends to mitigate them where possible by using appropriate contracts and contractors.

8.4. CONSTRUCTION RISK

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

8.5. ENVIRONMENTAL RISK

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

8.6. PROJECT SALES PRICES AND TIMING OF COMPLETED PROJECTS

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

8.7. THIRD PARTY RISK

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

8.8. INVESTMENT RISK

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

8.9. MANAGER RISK

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

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

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

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

8.10. DEFAULT AND CREDIT RISK

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

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

8.11. FUNDING RISK

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

8.12. DIVERSIFICATION RISK

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

8.13. LEGAL, REGULATORY AND COMPLIANCE RISK

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

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

8.14. LIQUIDITY RISK

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

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

8.15. OPTIONS RISK

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

8.16. TAX RISK

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

8.17. VALUE OF UNIT RISK

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

8.18. ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

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

8.19. GEARING RISK

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

8.20. INTEREST RATE RISK

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

8.21. PERFORMANCE RISKS

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

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

8.22. OPERATING HISTORY

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

Given the nature of the Fund, it is not expected that any Withdrawal Offer will be made prior to 1 year from the date of this PDS. Before such time, there will be no capital return on the Investment. There can be no assurance that profits will be realised from projects and losses may be realised before gains are realised. Unitholders should also note that Fund operating expenses, including annual management fees, may exceed income or realised profits therefore requiring the difference to be paid from the Fund's capital.

8.23. VALUATION RISK

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

8.24. FEES AND EXPENSES

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

8.25. THINLY-CAPITALISED MANAGEMENT

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

8.26. OTHER RISKS

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

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

9. FEES AND EXPENSES

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

CONSUMER ADVISORY WARNING

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

DID YOU KNOW?

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

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

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

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

TO FIND OUT MORE

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

9.1. FEES AND OTHER COSTS

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

Taxation information is set out in section 10.

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

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

TYPE OF FEE OR COST[1]	AMOUNT[2]	HOW AND WHEN PAID
Fees when your money moves in or out of the Fund		
Establishment Fee The fee to open your investment.	Nil	Not applicable
Contribution Fee The fee on each amount contributed to your investment.	Nil	Not applicable
Withdrawal Fee The fee on each amount you take out of your investment.	Nil	Not applicable
Exit Fee The fee to close your investment.	Nil	Not applicable
MANAGEMENT COSTS The fees and costs for managing your investment		
Responsible Entity Fee[3]	**Establishment Fee** of $10,450.	This fee is a one off fee and was payable to the Responsible Entity out of the Fund's assets on the date the Fund was registered, being 14 July 2017.
	Responsible Entity Fee of the greater of 0.3135% per annum of the gross asset value of the Fund or: - $41,800 for the first year commencing 14 July 2017, and - $52,250 in each year thereafter.	Calculated monthly and payable to the Responsible Entity monthly in arrears from the Fund's assets.
	Administration Fee of $15,836.25 per annum while the Fund has a gross asset value of $20 million or less. Once the Fund has a gross asset value of more than $20 million, this fee will increase to $25,625 per annum.	The Administration Fee is subject to an annual increase of 3% per annum on 1 January of each year and will be paid by the Fund to the Administration Manager.
Investment Manager Fees	**Investment Management Fee** of 2.1% per annum of the monthly gross asset value of the Fund.	Calculated monthly and payable to the Investment Manager monthly in arrears from the Fund's assets.
	Acquisition Fee of up to 5.1% of the purchase price of each Property.	Calculated on the purchase price of each Property and payable to the Investment Manager on settlement of the relevant Property from the Fund's assets.
	Debt Arrangement Fee of up to 0.5% of the total amount borrowed by the Fund pursuant to a debt facility.	Calculated on the total amount of money borrowed by the Fund or a Sub-Trust pursuant to a debt facility and payable to the Investment Manager within 30 days of each drawdown under the debt facility
Expenses	Expected to be up to 0.3% per annum of the gross asset value of the Fund.	Expenses may be claimed on a monthly basis, and are deducted from the assets of the Fund on at least a monthly basis.
Performance Fee	20% of the increase in the Withdrawal Price of the Fund over a 12 month period as at the 30 June of each year.	This fee is calculated and is payable to the Investment Manager as at 30 June each year out of the Fund's assets.
Indirect Costs	**Sub Trust Fee**[4] of $4284.5 per annum for each Sub Trust	Expenses may be claimed on a monthly basis, and are deducted from the assets of each Sub Trust on at least a monthly basis.
SERVICE FEES		
Switching Fee The fee for changing investment options.	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, any applicable stamp duty less any applicable input tax credits.
3. The Investment Manager has agreed to pay the Responsible Entity Fees Expenses until such time as they are able to be paid from the assets of the Fund. The Investment Manager may be reimbursed from the Fund in future years for any Responsible Entity Fees and Fees it pays.
4. This fee is calculated as $1,567.5 per annum in Trustee fees plus expenses per Sub Trust.
5. The Responsible Manager pays the Administration Fee to the Administration Manager in its entirety.

9.2. EXAMPLE OF ANNUAL FEES AND COSTS FOR THE FUND

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

EXAMPLE 35 LATITUDE DEVELOPMENT FUND	BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000[1] DURING THE YEAR	
Contribution fees	Nil	For every $5,000 you put in, you will be charged $0.
PLUS Management costs	6.4% per annum of the net asset value of Fund[1, 2]	And, for every $50,000 you have in the Fund, you will be charged $3,200 each year.[3]
EQUALS Cost of Fund		If you had an investment of $50,000 at the beginning of the year, you will be charged fees and costs of $3,200.

1. 6.4% is the indirect cost ratio of the Fund, which is quoted inclusive of GST and net of reduced input tax credits. It is an estimate of the total management costs (which does not include transactional and operational costs) deduced from the Fund and is represented as a percentage of the average gross asset value of the Fund in the previous financial year.
2. Additional fees and costs may apply. Please refer to the explanation of 'Transactional and Operational Costs' and the 'Buy/Sell Spread' in the 'Additional Explanation of Fees and Costs' section.

9.3. ADDITIONAL EXPLANATION OF FEES AND COSTS

RESPONSIBLE ENTITY FEES

Up to the date of registration of the Fund (14 July 2017), the Responsible Entity was entitled to a fee of 0.10% per annum of the gross asset value of the Fund, subject to a minimum annual fee of $25,000 per annum.

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

- Establishment Fee of $10,450 payable on the date the Fund was registered, being 14 July 2017;
- Administration Fee of up to $25,625 per annum, subject to an increase of 3 percent per annum on 1 January of each year following commencement of the Trust. The Responsible Entity pays this fee to the Administration Manager in its entirety;
- Responsible Entity Fee of up to and including the greater of 0.3135% per annum of the gross asset value of the Fund and the Minimum Fee calculated and payable monthly from the registration date of the Fund to the date of final distribution or termination of the Fund;
- A removal fee equal to the balance of the Administration Fee and the Responsible Entity Fee the Responsible Entity would have received had it remained the Responsible Entity of the Fund for three years from the date the of this PDS and date on which:
  - the Responsible Entity is removed as responsible entity for the Fund within three years of the date of this PDS, other than for gross negligence or for a breach of fiduciary duty to Unitholders which causes them substantial loss; or
  - The Responsible Entity retires as responsible entity for the Fund within three years from the date of this PDS at the request of the Investment Manager.

EXPENSES

Expenses means costs incurred by the Responsible Entity and Investment Manager in administration of the Fund and include fees payable to the Custodian, auditor and Compliance Plan auditor and also include other administrative expenses such as accounting and legal advice, audit fees, insurances, consulting fees, costs relating to Unitholder meetings and registry fees.

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

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

INDIRECT COSTS

The indirect costs of 0.18% per annum of the gross asset value of the Fund include Trustee fees for each of the sub-trusts of $1,568 per annum per sub-trust as well as other expenses incurred in operating the Sub Trusts such as tax and accounting fees.

INVESTMENT MANAGER FEES

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

- **Investment Management fee** of 2.1% per annum of the monthly gross asset value of the Fund. This fee is calculated monthly and is payable to the Investment Manager monthly in arrears from the Fund's assets.
- **Acquisition Fee** of up to 5.1% per annum of the purchase price of each Property. This fee is calculated on the purchase price of each Property (including any stamp duty and legal fees). The Acquisition Fee is payable on the settlement of each Property from the Fund's assets.
- **Debt Arrangement Fee** of up to 0.5 of the total amount borrowed by the Fund pursuant to a debt facility. This fee is calculated on the total amount of money borrowed by the Fund or a Sub-Trust pursuant to a debt facility and payable to the Investment Manager within 30 days of each drawdown under the debt facility.

BUY AND SELL SPREADS

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

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

When you enter or leave the Fund, any buy or sell spread applicable at that time is a cost to you, additional to the fees noted in Table 1, and is reflected in the unit price.

The buy and sell spreads are retained within the Fund; they are not fees paid to the Responsible Entity or the Investment Manager.

The buy spread is taken out of application amounts. The sell spread is taken out of withdrawal amounts.

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

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

EXAMPLE OF PERFORMANCE FEES

The Investment Manager is entitled to a performance fee of 20% of the increase in the Withdrawal Price of the Fund over a 12 month period as at the 30 June of each year.

The Performance Fee may first apply in respect of the year ending 30 June 2018, based on a comparison of the Withdrawal Price as at that date and Withdrawal Price as 30 June 2017.

There is no ability to clawback payments of the Performance Fee made to the Manager in future Financial Years.

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

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

TRANSACTIONAL AND OPERATIONAL COSTS

Transaction costs are costs incurred by the Fund for buying and selling direct property and other Fund assets. They include brokerage, stamp duty, legal and tax advice, and property settlement costs.

Transaction costs of 2.64% per annum of the gross asset value of the Fund are expected.

Operational costs are costs incurred by the Fund for ownership and maintenance of the Properties. They include, rates, land tax, other statutory outgoings, maintenance expenses, other general outgoings and interest rate hedging costs.

Operations costs of 0.36% per annum of the gross asset value of the Fund are expected.

ABNORMAL EXPENSES

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

FEES FOR OTHER SERVICES

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

DIFFERENTIAL FEES

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

CHANGES TO FEES AND EXPENSES

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

WAIVER AND DEFERRAL OF FEES

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

The Investment Manager has agreed to pay the Responsible Entity's fees until such time as these fees are able to be paid from the Fund's assets. The Responsible Entity has agreed to reimburse the Investment Manager any fees paid by it to the Responsible Entity from the Fund's assets at such time when the Fund is able to do so.

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

MAXIMUM FEES

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

ADVICE FEES

The Responsible Entity does not pay advice fees.

You may agree with your financial adviser that an initial advice fee will be paid for ongoing financial planning services your financial adviser provides for you in relation to your investment. This advice fee is additional to the fees shown in Section 9.1, and is paid to the Australian financial services licensee responsible for your financial adviser (or your financial adviser directly if they are the licensee). It is not paid to the Responsible Entity.

OTHER PAYMENTS AND BENEFITS

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

10. TAXATION INFORMATION

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

10.1. FUND STRUCTURE

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

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

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

10.2. TAX FILE NUMBER AND AUSTRALIAN BUSINESS NUMBER (AUSTRALIAN UNITHOLDERS ONLY)

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

10.3. AUSTRALIAN GOODS AND SERVICES TAX (GST)

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

10.4. FOREIGN TAX COMPLIANCE DISCLOSURE

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

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

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

(1) CONSTITUTION

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

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

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

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

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

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

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

(2) COMPLIANCE PLAN

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

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

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

(3) CUSTODIAN AGREEMENT

The Responsible Entity has entered into a Custodian Agreement with AET Structured Finance Services Pty Limited (AET), whereby the Responsible Entity has appointed AET as a service provider to provide custodial services in relation to various schemes, including the Fund.

(4) INVESTMENT MANAGEMENT AGREEMENT

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

The Investment Management Agreement sets out the Investment Manager's obligations to the Responsible Entity and to the Fund. The agreement also contains the arrangements in relation to the Fees and Costs that are summarised in Section 9.

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

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

(5) ADMINISTRATION AGREEMENT

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

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

11.2. COOLING OFF RIGHTS

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

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

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

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

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

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

11.3. PRIVACY

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

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

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

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

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

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

11.4. COMPLAINTS HANDLING

The Constitution sets out the procedure by which the Responsible Entity is to receive, consider, investigate and respond to complaints by investors who are dissatisfied with the management or administration of the Fund.

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

The Complaints Officer
Vasco Investment Managers Limited
Level 5, 488 Bourke 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 45 days of the complaint being made.

The Responsible Entity is also a member of the Financial Ombudsman Service Limited (FOS) which provides an external complaints resolution scheme. Complaints that cannot be resolved internally by the Responsible Entity to the Unitholder's satisfaction can be taken by the Unitholder to the FOS. Unitholders can contact the FOS on telephone 1800 367 287 (within Australia), by facsimile on (03) 9613 6399 or by writing to GPO Box 3, Melbourne, Victoria, 3001.

11.5. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

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

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

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

11.6. STATEMENT REGARDING LABOUR STANDARDS AND ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

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

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 this Act and, as such, must be 'reasonably satisfied' that an investor exists and is who they claim to be prior to issuing Units to them. This means that all new Unitholders in the Fund must provide the identification information as set out in the Application Form. The Responsible Entity will not issue Units to a new investor unless satisfactory identification documents are attached to the Application Form or provided to your financial advisor.

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

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

11.8. 'DISCLOSING ENTITY' OBLIGATIONS

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

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

- 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.

11.9. CONSENT OF EXPERTS AND OTHER PARTIES

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

- Vasco Investment Managers Limited
- Vasco Funds Management Pty Limited
- 35 Latitude Pty Ltd
- AET Structured Finance Services Pty Limited
- ShineWing Australia
- TEW Property Consultants

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.

12. GLOSSARY OF TERMS

ADMINISTRATION MANAGER	Means Vasco Funds Management Pty Ltd (ACN 610 512 331).
AFSL	Means an Australian financial services licence.
AML/CTF	Means Anti-Money Laundering and Counter Terrorism Financing Act 2006.
APPLICATION FORM	Means the application form attached to or accompanying this PDS.
APPLICATION	Means an application for Units in accordance with this PDS.
APPLICANT	Means an applicant for Units under this PDS.
ASIC	Means the Australian Securities and Investments Commission.
BUSINESS DAY	Means a day other than Saturday or a Sunday on which banks are open for general business in Melbourne, Victoria.
COMPLIANCE PLAN	Means the compliance plan for the Fund as amended from time to time.
CONSTITUTION	Means the constitution for the Fund including any supplementary or replacement constitution, which are available free of charge upon request.
CORPORATIONS ACT	Means the Corporations Act 2001 (Cth).
CUSTODIAN	Means the custodian of the Fund which, at the date of this PDS, is AET Structured Finance Services Pty Limited (ACN 106 424 088).
CUSTODIAN AGREEMENT	Means the agreement between the Custodian and the Responsible Entity dated 14 July 2016 and inclusion letter dated 16 March 2017.
EXPENSES	Means costs incurred by the Responsible Entity in administration of the Fund and are limited to custodial fees, accounting and legal advice, audit fees, insurances, consulting fees, costs relating to Unitholder meetings and registry fees.
FINANCIAL YEAR	Means each year commencing on 1 July and ending on 30 June.
FUND	Means 35 Latitude Development Fund (ARSN 620 185 266) and the Sub-Trusts.
INCOME ENTITLEMENT	Means the entitlement of Unitholders to the income of the Fund.
INVESTMENT CRITERIA	Means the investment criteria of the Fund as referred to in Section 3.4.
INVESTMENT MANAGER	Means 35 Latitude Pty Ltd (ACN 610 907 474). The Investment Manager is a corporate authorised representative (No. 001239775) of D H Flinders Pty Ltd (ACN 141 601 596 AFSL 353001).
MANAGEMENT FEE	Means the amount paid to the Manager as referred to in Section 9.
MINIMUM TERM	A period of 24 months from the date of issue of a Unit to a Unitholder, during which that Unitholder is not able to participate in Withdrawal Offers that would otherwise be available in relation to the Unit.
OFFER	Means the offer made by this PDS to invest in the Fund.
PERFORMANCE FEE	Means the fee paid to the Manager for exceeding the Target Return as referred to in Section 9.
PDS	Means this Product Disclosure Statement dated 6 September 2017 and any supplementary or replacement PDS.
PROJECT	Means the development of a Property.
PROPERTY	Means real property acquired directly or indirectly by the Fund.
RESPONSIBLE ENTITY	Means Vasco Investment Managers Limited (ACN 138 715 009, AFSL No. 344486).
RESPONSIBLE ENTITY FEE	Means the amount paid to the Responsible Entity as referred to in Section 9.
SUB TRUST	Means any sub-trust of the Fund.

TARGETED RETURN	Means returns to Unitholders of 10.0% per annum (after all fees and charges but before tax).
UNIT	Means a unit in the Fund.
UNIT PRICE	Means, at any point in time, the net asset value of the Fund divided by the number of Units on issue from time to time.
UNITHOLDER	Means a person or entity that holds Units.
VALUATION	Means a valuation carried out in accordance with Section 7.
WITHDRAWAL OFFER	An offer to withdraw from the Fund made by the Responsible Entity.
WITHDRAWAL PRICE	The Withdrawal Price is defined and calculated according to the Fund's constitution.
WITHDRAWAL REQUEST	A withdrawal request form, available on the Responsible Entity's website, at www.vascofm.com, to be used to respond to a Withdrawal Offer.

*The Application Form originally attached to this Product Disclosure Statement for the 35 Latitude Development Fund (**Fund**) dated 6 September 2017 is no longer applicable.*

If wanting to invest in the Fund, please instead complete the Application Form attached to the Supplementary Information Memorandum for the Fund date 20 March 2019.

14. HOW TO INVEST

14.1. APPLICATIONS FOR UNITS

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

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

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

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

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

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

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

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

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

All application money payments should be made as follows:

1. **By cheque:**
   Cheques should be made out to "AET SFS PTY LTD ACF 35 LATITUDE DEVELOPMENT FUND" and crossed "Not Negotiable". No application will be processed until the cheque has been cleared.

2. **By electronic transfer:**
   Electronic transfers should be made to "AET SFS PTY LTD ACF 35 LATITUDE DEVELOPMENT FUND" c/o **St. George Bank – BSB: 332 027, Account: 554806487** and identified by the name of the person or entity making the transfer (including ACN or ABN) where applicable.

   The St. George Bank Swift Code is SGBLAU2S.

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

14.2. UNIT ALLOTMENT

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

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

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

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

14.3. MINIMUM INVESTMENT

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

15. CORPORATE DIRECTORY

INVESTMENT MANAGER

35 Latitude Pty Ltd
Suite 3/74 Park Avenue, Kotara NSW 2289
Level 8/99 Elizabeth Street, Sydney NSW 2000
PO Box 324 Kotara NSW 2289
Phone +612 4952 1177

ADMINISTRATION MANAGER

Vasco Funds Management Pty Ltd
ACN 610 512 331
Level 5, 488 Bourke Street
Melbourne, Victoria, 3000
Phone +613 8352 7120
Fax +613 8352 7199
Web www.vascofm.com

RESPONSIBLE ENTITY

Vasco Investment Managers Limited
ACN 138 715 009 AFSL No. 344486
Level 5, 488 Bourke Street Melbourne, Victoria, 3000
Phone +613 8352 7120
Fax +613 8352 7199
Web www.vascofm.com

CUSTODIAN

AET Structured Finance Services Pty Limited
Level 22, 207 Kent Street
Sydney NSW 2000

COMPLIANCE PLAN AUDITOR

ShineWing Australia
Level 10, 353 Collins Street
Melbourne VIC 3000

FUND AUDITOR

ShineWing Australia
Level 10, 353 Collins Street
Melbourne VIC 3000

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