



VERSAILLES
◀ CAPITAL ▶

Versailles Capital No. 8 Sorrell Street Fund

INFORMATION MEMORANDUM



TRUSTEE

One AR Pty Ltd
ACN 602 601 776

MANAGER

Versailles Capital Pty Ltd
ACN 628 328 647

Issue date 16 December 2019

One AR Pty Ltd is an AFS authorised representative (number 471702) of One Investment Administration Ltd ACN 072 899 060, the holder of AFS licence number 225064.



IMPORTANT INFORMATION

This Information Memorandum (IM) is dated 16 December 2019 and is issued by One AR Pty Ltd (Trustee, we or us), the trustee of Versailles Capital No. 8 Sorrell Street Fund (Fund). The offer contained in this IM (Offer) is an invitation to acquire Investor Units in the Fund on the terms and conditions set out in this IM. One AR Pty Ltd is an AFS authorised representative (number 471702) of One Investment Administration Ltd ACN 072 899 060, the holder of AFS licence number 225064.

The Trustee has appointed Versailles Capital Pty Ltd ACN 628 328 647 (Manager) as the manager of the Fund. The Manager is an AFS authorised representative (number 001274101) of A2Z Licence Pty Ltd ACN 150 607 873, the holder of AFS licence number 406275.

NO DISCLOSURE REQUIRED

This IM is intended to provide potential Investors with information only and does not constitute a product disclosure statement or other disclosure document required by the Corporations Act 2001 (Cth) (Act). This IM is not required to be, and has not been, lodged with the Australian Securities and Investments Commission (ASIC) or any other government body.

INVESTORS

The Offer made under this IM is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act), which includes professional investors (as defined in Section 9 of the Act) (collectively, Qualifying Investors). The Trustee will not issue Units in the Fund to a person unless it is satisfied that the person is a Qualifying Investor.

FOREIGN JURISDICTIONS

This IM does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction in which the offer or solicitation is not authorised. No recipient of this IM in any jurisdiction other than Australia may treat it as constituting an offer to acquire Units in the Fund. This product has not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, delivered or transferred in the United States or to, or for the account of, any "US Person" (as defined in Regulation S under the US Securities Act). Neither this IM nor any Application Form or other material relating to this product may be distributed in the United States.

NO LIABILITY

To the maximum extent permitted by law, neither the Trustee nor the Manager, nor any of their associates, related parties, directors, officers, employees, advisors (including financial, accounting and legal advisors) or representatives make any recommendation in relation to the Fund, or make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this IM.

This IM does not purport to contain all the information that a prospective Investor may require in evaluating a possible investment in the Fund. This IM should be read in conjunction with the Fund's Constitution, a copy of which is available (free of charge) by contacting the Trustee on (02) 8277 0000. To the extent there are any inconsistencies between the Constitution and this IM, the Constitution will prevail.

FORWARD LOOKING STATEMENTS

This IM includes forward looking statements that may contain words such as "may", "could", "believes", "intends", "estimates", "expects" and words of similar meaning. All statements other than statements of historical fact included in this IM, including, without limitation, those regarding the Fund's financial position and business or investment strategy, plans and objectives are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Fund to be materially different from future results, performance or achievements expressed or implied by such forward looking statements.



Forward looking statements are based on assumptions and projections regarding the Fund's operations, its investment strategy and other matters. These forward looking statements are made on the date of this IM. Accordingly, there can be no assurance that such statements, estimates or projections will be realised.

INDEPENDENT ADVICE RECOMMENDED

Prospective Investors are not to construe the contents of this IM as tax, legal or investment advice. The information contained in this IM is general information only and does not take into account your specific objectives, financial situations or needs. You should seek appropriate professional advice and should conduct your own independent investigation and analysis regarding any information contained in this IM. You should rely on your own enquiries, in particular in obtaining your own legal, investment and tax advice in determining whether to invest in the Fund.

RISKS

By investing into the Fund, Investors incur risks including the loss of capital invested. Neither the Trustee nor the Manager, nor any of their directors, officers, employees, advisors or representatives, guarantee the rate of return or performance of the Fund, the repayment of capital nor do they make any guarantees about the timing of returns from the Fund and repayment of capital, if any.

TRUSTEE LIMITATION OF LIABILITY

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

DISCLOSURE OF INTERESTS

The Manager will be issued with Manager Units, and the Trustee or its related or associated entity will be issued with Investor Units, as detailed below. The Trustee, the Manager or their related entities may acquire additional Investor Units in the Fund on the terms set out in this IM.

UPDATED INFORMATION

The information contained in this IM may change. Unless the Trustee considers the changed information is materially adverse to you, the Trustee will not update or replace this IM to reflect the changed information. Updated information, if any, can be obtained by going to our website www.oneinvestment.com.au or by calling us on (02) 8277 0000.

PRIVACY

By completing the application form or otherwise applying for Investor Units in the Fund you are providing personal information. Details of how this information may be used and your rights to access it are contained in the privacy policy of the One Investment Group which is available on www.oneinvestment.com.au

CURRENCY

All references to dollar amounts in this IM are to Australian Dollars unless otherwise stated.



CONTENTS

Section	Page
1. KEY FEATURES OF THE FUND	5
2. MANAGEMENT OF THE FUND	7
<ul style="list-style-type: none">• About the Trustee• About the Manager	
3. INVESTMENT OVERVIEW	9
<ul style="list-style-type: none">• The Fund• Investment Objective• Investment Strategy• Details of the Site• The Options• The DA approval to be sought• How the DA approval process works• Investment returns• Term of the Fund	
4. DETAILS OF THE UNITS	13
<ul style="list-style-type: none">• Investor Units• Who can apply for Investor Units• Units issued to the Trustee (or its related or associated entity)• Manager Units• Withdrawing from the Fund	
5. RISKS	15
6. FEES AND OTHER COSTS	19
7. TAXATION INFORMATION	21
8. ADDITIONAL INFORMATION	22
<ul style="list-style-type: none">• Summary of material documents• Constitution• Investment Management Agreement• Reporting• Related party transactions• Change of trustee• Conflicting investor interests• No cooling-off rights• Privacy• Anti-money laundering law• Foreign Account Tax Compliance Act (FATCA)• Common Reporting Standard (CRS)• Complaints and contacting us	
9. DIRECTORY	26
10. GLOSSARY	27
11. HOW TO INVEST	29



SECTION 1 – KEY FEATURES OF THE FUND

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

About the Fund		Section
Fund	Versailles Capital No. 8 Sorrell Street Fund	3
Trustee	One AR Pty Ltd ACN 602 601 776	2
Manager	Versailles Capital Pty Ltd ACN 628 328 647	2
Investment objective	<p>The Fund's investment objective is to provide Investors with a return that is higher than the return currently generally available from direct property funds, property mortgage funds and other property related funds.</p> <p>Investors must note that the Fund may not be successful in meeting its investment objective. Returns are not guaranteed nor is the return of capital.</p>	3
Investment strategy	<p>It is intended that the Fund will, through a wholly-owned company VC 8SS Pty Ltd ACN 631 354 393 (VC 8SS), hold 42 option contracts (Options) over land at 8 – 12 Sorrell Street, Parramatta, New South Wales (Site). The Fund intends to acquire all of the shares in VC 8SS from the Manager as soon as possible after the date of this IM.</p> <p>The Manager proposes to make a development application (DA) to allow for the development of the mixed use building as further described in this IM.</p> <p>The Manager believes the approval of the DA sought should result in an increase in the value of the Site which in turn will lead to an increase in the value of the Options held by the Fund.</p> <p>The Manager intends that the Fund will sell the Options, by selling VC 8SS, to a developer thereby realising the increase in the value of the Site over which the Options have been granted.</p> <p>It is intended that any gain made on the sale of the Options will form the basis of the distribution made to Investors in the Fund which the Manager expects to occur approximately 24 months from the date of issue of this IM.</p>	3
Term of the Fund	The Manager believes that DA approval can be obtained within 20 to 22 months from the date of issue of this IM and consequently, the Manager believes the term of the Fund will be approximately 24 months from the date of issue of this IM.	3
Borrowing	The Fund has the power to borrow, however borrowing does not form part of the Investment Strategy and it is not the intention to borrow.	3



About the Fund		Section
Who can invest?	The Offer is only available to persons who are Qualifying Investors, see Section 4 – Who can apply for Investor Units for an explanation of Qualifying Investors.	4
Units	There are two classes of units in the Fund: <ul style="list-style-type: none">• Investor Units – which are being offered to Investors on the terms set out in this IM.• Manager Units – which will be issued to the Manager.	4
Number of Investor Units on offer	A maximum of 4,400,000 Investor Units is being offered under this IM (excluding Investor Units to be issued to the Trustee or to its related or associated entity, see Section 4 – Units issued to the Trustee (or its related or associated entity)).	4
Application Price	Investor Units are being offered at \$1.00 per Investor Unit.	4
Commissions	Commissions are not charged by the Fund and no commissions are retained by the Trustee or the Manager. An Investor may authorise their adviser to receive a Commission Investors should negotiate the amount of any commission directly with their adviser.	4
Minimum application	The minimum application is \$50,000 from a Qualifying Investor.	4
How to apply	Applications may be made until the maximum number of Investor Units is issued. Applicants should complete the application form, see Section 11 – How to Invest , pay the amount due and provide the identity verification information as detailed in the application form. Please follow the instructions provided in the application form, however if you have any queries please call the Registrar on (02) 8277 0000.	4
Withdrawals	Withdrawals are not allowed during the term of the Fund.	4
Risks	All investing involves risks. The main risks associated with an investment in the Fund are set out in Section 5 – Risks . You should consider this Section carefully before making an investment into the Fund.	5
Fees and Costs	The fees and costs to be borne by the Fund are set out in Section 6 – Fees and Other Costs . Please refer to Section 6 for details.	6
Taxation	Before investing in the Fund, you should obtain your own independent tax advice which takes into account your own circumstances.	7



SECTION 2 – MANAGEMENT OF THE FUND

About the Trustee

One AR Pty Ltd has extensive experience as a corporate trustee, and is a professional trustee.

One AR Pty Ltd is a member of the One Investment Group (OIG). OIG is an independent Australian funds management business that focuses on providing responsible entity, trustee and other services associated with funds management. OIG operates a number of entities that, pursuant to the Act, are licensed to conduct financial services businesses and to act as responsible entities for registered schemes and as trustees for unregistered schemes.

OIG is responsible for in excess of 200 funds and \$25 billion in a wide range of underlying asset classes including infrastructure, real estate, equities, fixed income, private equity and fund of funds. OIG is not a fund manager and its clients include global and Australian listed companies, sovereign wealth funds, banks, insurance companies, pension funds, private equity firms and boutique managers.

One AR Pty Ltd is an AFS authorised representative (number 471702) of One Investment Administration Ltd ACN 072 899 060, the holder of AFS licence number 225064.

About the Manager

The Manager is Versailles Capital Pty Ltd ACN 628 328 647. The Manager is an AFS authorised representative (number 001274101) of A2Z Licence Pty Ltd ACN 150 607 873, the holder of AFS licence number 406275. The Manager specialises in early stage property development projects. The key personnel have considerable experience in property development and funds management as follows:

Non-Executive Chairman – David Gurney

David started his accounting career in 1980 working for a large firm of Chartered Accountants primarily providing audit services. Whilst working he completed his Bachelor of Commerce at UNSW graduating in 1983 with Merit. He became a Chartered Accountant in 1986, advancing to Fellow in 1996.

After completing his university studies he worked for a Parramatta firm where he became a partner in 1991. In 1999 he joined Signum Business Advisers Pty Ltd as the managing director. His professional qualifications are Fellow of the Chartered Accountants Australia and New Zealand and Fellow of the Taxation Institute of Australia. He is also a Registered Company Auditor, Registered SMSF Auditor and Justice of the Peace.

David is focused on clients involved in property development and property services for whom he provides tax consulting and strategic advice. His expertise covers a wide range of areas including taxation, asset protection, business development, accounting, audit and estate and succession planning.





Managing Director and Co-Founder – Jim Castagnet

Jim has spent the last 20 years successfully developing medium to high end residential apartment buildings and mixed-use developments, primarily in the eastern suburbs of Sydney. Jim has a Post Graduate Diploma in Urban Estate Management (Property Economics) from the University of Technology, Sydney.



After spending two years as a guest presenter of the property course run by the Business School of the University of Western Sydney, Jim founded Property Development Workshops. Whilst engaged in property development, he makes time to share his knowledge through his workshops and masterclasses and presents regularly at business functions and study groups. He has featured on the Sky Business real estate program and is the author of 'Build' a book explaining the "dos and don'ts" of property development.

Investor Relations Director and Co-Founder – Phillip Adamcewicz

Phillip Adamcewicz has over 23 years' experience in the investment and financial services industry. He began his career working for Royal & Sun Alliance Funds Management in 1995 and since then has worked for other large groups, such as Perpetual and Royal Bank of Canada.



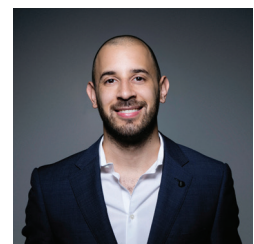
After gaining experience as a fund manager and share market trader, Phillip established the A2Z group of companies. Phillip has a Bachelor of Commerce majoring in Accounting, a Diploma of Business, a Diploma of Financial Services and a Diploma of Finance and Mortgages.

He is a Justice of the Peace for NSW, a registered tax agent, mortgage adviser, financial planner and has significant experience as a corporate accountant, business consultant and property developer.

Chief Operating Officer – Stephan Castagnet

Stephan has more than 10 years' experience in the property industry specialising in property development, investment and valuation.

He spent over 5 years as a residential/commercial property valuer before moving into property development. Stephan holds a Bachelor of Property Economics from the University of Technology, Sydney and is a Certified Practising Valuer and an Associate of the Australian Property Institute (API).



Non-Executive Director/Consultant – Bleddyn Gambold

Bleddyn has over 35 years' experience in financial services.

He spent 8 years with the Bank of Bermuda (now part of HSBC) in Bermuda, London and Hong Kong focusing on trustee services. He then spent 14 years in senior positions with LGT Asset Management (now part of INVESCO) in Hong Kong and Sydney, specialising in funds management.



Bleddyn co-founded, and for 10 years ran, Columbus Investment Services Ltd, a company based in Sydney that provided external responsible entity and trustee services. He now has a number of roles including as a responsible manager and compliance committee chairman. Bleddyn has a BA (Hons) Degree in Accountancy and is a Fellow of the Institute of Chartered Accountants in England and Wales.



SECTION 3 – INVESTMENT OVERVIEW

The Fund

The Fund is an unregistered managed investment scheme structured as a unit trust that offers you the opportunity to gain indirect exposure to an early stage property development project, through the use of option contracts over land at 8 – 12 Sorrell Street, Parramatta, New South Wales. We do not intend to register the Fund with ASIC as a registered managed investment scheme or to list the Fund on a secondary market such as the ASX.

Investment in the Fund is governed by the Fund's Constitution and the general law of Australia. Please refer to **Section 8 – Additional Information – Constitution** for a summary of Investors' rights and obligations under the Constitution.

Investment Objective

The Fund's investment objective is to provide Investors with a return that is higher than the return generally available from direct property funds, property mortgage funds and other property related funds.

Investors must note that the Fund may not be successful in meeting its investment objective. Returns are not guaranteed nor is the return of capital. The risks associated with the investment are discussed in **Section 5 – Risks**.

Investment Strategy

It is intended that the Fund will, through a wholly-owned company VC 8SS, hold the Options over the Site. The Fund intends to acquire all of the shares in VC 8SS from the Manager as soon as possible after the date of this IM.

The Manager will undertake the process to make a DA to allow for the development of the mixed use building as further described in **The DA approval to be sought** (below).

The Manager believes the approval of the DA sought should result in an increase in the value of the Site which in turn will lead to an increase in the value of the Options held by the Fund.

The Manager intends that the Fund will sell the Options, by selling VC 8SS, to a developer thereby realising the increase in the value of the Site over which the Options have been granted.

It is intended that any gain made on the sale of the Options will form the basis of the distribution made to Investors in the Fund, which the Manager expects to occur approximately 24 months from the date of issue of this IM.

Details of the Site

The Site is no. 8-12 Sorrell Street, Parramatta NSW 2150.

Parramatta is located approximately 24 kilometres west of the Sydney central business district and it is now considered the geographical centre of greater Sydney.

At present there are 3 low rise buildings comprising 42 apartments under strata plan no. 16657 on the Site. The Site is shown in the following aerial photograph:



The Site is situated close to a number of amenities and attractions in Parramatta, including:

- The proposed new Powerhouse Museum
- The Parramatta river foreshore
- Westfield Shopping Centre
- Parramatta transport interchange (rail and bus services)
- Bankwest Stadium
- Prince Alfred Square
- "Eat Street" (on Church Street)
- The Riverside Theatre

The Site is 4,014 (m²) and is zoned B4 mixed use, which allows for a combination of residential and commercial use.



The Options

VC 8SS has entered into the Options with the owners of all the existing strata apartments on the Site (under strata plan 16657) under which VC 8SS has the right (but not the obligation) to acquire the Site for a total purchase price of \$44,500,000.

To obtain the Options, VC 8SS has made payments totalling \$667,500 to the existing owners and will be required to make the following additional payments under the Options on the following dates:

- \$222,500 – payable by 21 August 2020.
- \$222,500 – payable by 22 February 2021.

The Options must be exercised by 23 August 2021 or this date may be extended by six months to 23 February 2022 by payments totalling \$445,000 made by 23 August 2021.

The DA approval to be sought

The City of Parramatta Council (Council) issued a Planning Certificate (number 2019/1788) for the Site on 24 April 2019. The Manager believes that under current guidelines the Site will support the following development and the Manager intends to lodge a DA which will allow the following:

Summary	
Zoning	B4
Site Size	4,014 (m ²)
Floor Space Ratio	6.9
Gross Floor Area	27,697 (m ²)
Height	115 m

Residential		Commercial	
Gross Floor Area	26,927 (m ²)	Gross Floor Area	770 (m ²)
Net Floor Area	22,888 (m ²)	Net Lettable Area	654 (m ²)
Average Apartment Size	71.1 (m ²)		

Under the current guidelines, the building would have 1 floor of commercial space and 36 floors of residential apartments. There would be 322 residential apartments in 1 and 2 bedroom configurations and 189 underground parking spaces would also be provided for the residents. This information is provided to Investors to indicate the size of the site and the project only, as it is not planned to develop the site. The investment strategy is for the Fund to sell the Options, by selling VC 8SS, following receipt of development approval.

How the DA approval process works

The Manager has already undertaken a thorough feasibility analysis of the Site. This involved assessing the constraints and opportunities of the Site, including undertaking a detailed financial analysis.

In addition, the Manager has investigated planning controls and planning instruments that apply to the local area and has met and consulted with the Council planning department to receive comments and feedback on the proposed development of the Site.



The steps to obtain the DA approval include the following:

- The Manager will prepare and submit a planning proposal.
- The planning proposal will be determined by the State Government's 'Gateway' process.
- The Manager will then oversee a design competition in which a panel of experts will select a design for the Site.
- The Manager will then prepare and lodge the DA.

The Manager's personnel have significant experience in making development applications. The Manager has relevant contacts who have the required expertise to provide information and support for the DA including architects, town planners and valuers. The DA approval process will require feedback and further consultation with the Council. Although every DA is unique, the Manager's personnel have been through these discussions many times before and approaches them in a positive and supportive manner. Based on the consultations and feedback received to date from the Council, the Manager is confident that the DA for the Site with the approvals noted in **The DA approval to be sought** (above) will be obtained in the timeframes outlined in this IM.

However, no assurance is given by the Trustee or the Manager that the DA approval for the Site will be obtained within the timeframes indicated or with the desired characteristics or at all.

Investment returns

When DA approval has been obtained, it is intended that the Fund will sell the Options to another developer. The Manager believes that the value of the Site should rise significantly to reflect that DA approval has been obtained for the Site. After the payment by the Fund of all of its costs and expenses the net assets will be distributed to all Unitholders. Investors and the Manager will receive a return of their capital (totalling \$100 in the case of the Manager Units) and then the net surplus will be distributed to all Unitholders in accordance with the number of Units held.

Returns from the Fund are not guaranteed.

Term of the Fund

The Manager believes that DA approval can be obtained within 20 to 22 months from the date of issue of this IM and consequently, the Manager believes the term of the Fund will be approximately 24 months from the date of issue of this IM, allowing for a developer to be sourced and the sale of the Options to be completed.

Neither the Manager nor the Trustee can guarantee this expected timeframe will be met and the term of the Fund will depend on the time required to obtain DA approval and complete the sale of the Options. As discussed above the Options must be exercised at the latest by 23 February 2022 (assuming the Options have been extended by six months). The Options do not allow for a further extension beyond this date. Following this date the Options will expire. Please see **Section 5 – Risks** for further discussion.



SECTION 4 – DETAILS OF THE UNITS

The Fund will have 2 classes of Units, Investor Units and Manager Units. Investor Units are being offered on the terms and conditions set out in this IM.

Investor Units

The Trustee is making available Investor Units in the Fund on the following basis:

A maximum of 4,400,000 Investor Units will be available to Qualifying Investors at an issue price of \$1.00 per Investor Unit to raise a maximum total of \$4,400,000 for the Fund (excluding Investor Units to be issued to the Trustee (or its related or associated entity), see **Section 4 – Units issued to the Trustee (or its related or associated entity)** below). The Trustee may accept or reject any application received in its absolute discretion. For a period of 5 business days following the issue of this IM priority will be given to applications received from shareholders of the Manager. Following that period of 5 business days, applications will be accepted on a “first come – first served” basis, subject to the receipt of a completed application form, the receipt of the application monies in full, the identity verification information specified in the application form (certified as necessary) and the Trustee's right to accept or reject an application. If additional funds are required the Trustee may issue further Units in the Fund on terms to be decided upon at the time.

Applications will be processed until a maximum of 4,400,000 Investor Units have been issued at which point the Trustee will close the Fund to further applications. The Fund will commence its operations directly following the first issue of Investor Units, this may be before all 4,400,000 Investor Units have been issued.

Successful applicants will be advised that their application has been accepted within 5 business days of the Trustee processing the application. Successful applicants will receive a confirmation advice giving details of their unitholding in the Fund. Unsuccessful applicants will be advised their application has not been accepted and their application monies will be returned within 5 business days of the decision not to accept the application.

The Trustee, after consultation with the Manager, may close the Fund to applications for Investor Units before 4,400,000 Investor Units have been issued.

Who can apply for Investor Units

The Offer made under this IM is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act), which includes professional investors (as defined in Section 9 of the Act) (collectively, Qualifying Investors). The Trustee will not issue Units in the Fund to a person unless it is satisfied that the person is a Qualifying Investor.

A wholesale client is one that meets the following criteria:

Where the initial amount paid by the Investor at the time of investment in the Fund is at least \$500,000. The person will remain a wholesale client even if their interest subsequently falls below \$500,000.

If the investment is less than \$500,000, the Investor may still be a wholesale client if the Investor has provided a certificate by a qualified accountant stating that the Investor has net assets of at least \$2.5million or gross income for each of the last two financial years of at least \$250,000.



The certificate can be no more than 2 years old.

A professional investor includes:

- an Australian financial services licensee;
- a body regulated by APRA outside of superannuation;
- a body registered under the Financial Corporations Act 1974;
- trustees of superannuation funds, approved deposit funds, pooled superannuation trusts and public sector superannuation schemes under the Superannuation Industry (Supervision) Act 1993 with net assets of at least \$10million;
- a person who controls at least \$10million.

Units issued to the Trustee (or its related or associated entity)

Generally the appointments of the Trustee, the Registrar and Administrator would be for a minimum period of 4 years. In recognition that the Fund is expected to be wound up within 2 years after establishment, the Trustee (or its related or associated entity) will be issued with Investor Units equal to \$92,000 in value. These Units will be issued on the date of first issue of Units to Investors under this IM and will be on the same terms as those issued to Investors.

Manager Units

The Manager will be issued with 10,266,666 Manager Units at a total cost of \$100.

Manager Units have no right to vote at a meeting of Unitholders, however Manager Units will carry the same entitlements to distributions as Investor Units. The Manager Units will be issued to the Manager to recognise the considerable work the Manager has undertaken to date together with the expenses it has borne from its own resources in order to secure the Options and present this opportunity to Investors. Holding Units in the Fund ensures that the Manager has a financial stake in the success of the Fund and the Manager believes this aligning of interests is a benefit to Investors.

Withdrawing from the Fund

Withdrawals from the Fund are not permitted. This means you will not get any money back from the Fund unless and until the assets of the Fund have been realised. The term of the Fund is expected to be 24 months, however for further information see in **Section 3 – Investment Overview – Term of the Fund.**



SECTION 5 – RISKS

All investing carries risks. The following section sets out some risks you should consider before investing into the Fund. These risks, if they occur, could materially affect the return of capital as well as the investment return from the Fund. Many risk factors fall outside of our and the Manager's control and cannot be completely mitigated.

Distributions are not guaranteed and neither is the return of your capital.

Investors should seek independent professional advice before deciding whether or not to invest in the Fund.

Investment risk

The assets of the Fund will primarily comprise the Options over the Site and the money raised as a result of the issue of Investor Units. The investment objective and investment strategy of the Fund are predicated on the DA being granted within the timeframes indicated in **Section 3 – Investment Overview**.

The Options must be exercised before expiry on 23 February 2022 (assuming the Options have been extended by six months). If the DA application is not successful or the Options are not sold to a developer before 23 February 2022, the Fund will be unlikely to meet its investment objective and strategy and the return of capital and the investment return to Investors will be negatively impacted. If the Options expire before sale to a developer, Investors may lose their entire investment.

There is no primary or secondary market for the Options held by the Fund. The sale of the Options is by negotiation with interested parties such as developers. The Options may become difficult or impossible to sell and the value of the Options may fall for a number of reasons. This may be due to factors specific to the Site or to other factors in the property markets in Parramatta, in NSW or in Australia generally or to other factors more generally such as market sentiment, interest rates, property and infrastructure values and political or legal conditions.

If the Options fall in value or become difficult to sell this will impact on the investment return from the Fund and may also impact on the return to Investors. If the value of the land at the Site falls to less than \$44,500,000 (the price at which the land can be acquired under the Options) then the Options may become worthless and Investors may lose their entire investment.

Expenditure risk

Actual costs and expenditure may be materially higher than expected. A contingency for increased and unforeseen fees and costs has been provided, however no assurance is given that the contingency will be sufficient to meet increased and unforeseen fees and costs. If this happens, this may result in the Fund having insufficient funds to complete the DA. In such circumstances the Fund may have to raise further capital by issuing further Investor Units or by borrowing and this is likely to have an impact on the return to Investors. If the Fund is unable to raise further funds it is likely that it would have to be wound up. This would have a material negative effect on returns to Investors.



Policy Risk

Government policy, at a federal and state level, as well as at a local council level is supportive of projects such as the one being undertaken by the Fund. However, policy may change. Any change may lead to delays in obtaining DA approval or a refusal to grant DA in relation to the Site. If this happens it is likely to have a major impact on the Fund and the return to Investors. See also the **Development approval risk** below for further information.

Change of law, taxation or accounting standards

There may be changes to laws, or their interpretation, in Australia. Changes in tax, corporate, regulatory and money laundering laws could have a negative impact on the returns to the Fund and accordingly on the returns to you. We reserve the right to take steps to limit or prevent any adverse effects of changes to laws or their interpretation including, if possible, restructuring the Fund.

Manager risk

There is no guarantee that the Manager will be able to achieve the aims set out in the investment strategy of the Fund. As a result, no assurance is given that the Fund will achieve its investment objective and produce returns for Investors.

The Manager relies heavily on the skills and experience of the people referred to in **Section 2 – About the Manager**. There can be no assurance the Manager will be able to retain these key individuals or other specialists that it may utilise from time to time. If the Manager experiences prolonged difficulty in replacing key senior management and/or specialist personnel, this may have a material adverse effect on the Fund.

Trustee risk

If it is necessary or desirable to replace the Trustee as trustee of the Fund there is no certainty that we can be replaced by a new trustee willing to perform our existing obligations. If a new trustee cannot be appointed, it is likely that the Fund may need to be wound up.

No repayment or return guarantee

The repayment of capital from the Fund or the return, if any, is not guaranteed. This means that you could lose some or all of your investment in the Fund.

No government guarantee

The Financial Claims Scheme (FCS and commonly referred to as the Australian Government Deposit Guarantee) does not apply to the Fund. Further information on the FCS can be obtained from the APRA website at www.apra.gov.au and APRA hotline on 1300 55 88 49.

Compulsory withdrawals

At any time, we may require that you redeem some or all of your Units. Circumstances where this could occur include where:

- it is required by law;
- the Trustee considers that the nature or actions of an Investor may prejudice the Fund or other Unitholders or prejudice the way in which the Fund is administered.



Our decision to exercise the right to compulsorily redeem Units remains subject to our duties as trustee of the Fund. In limited circumstances where urgent action is required the compulsory withdrawal may occur before you are notified although we will give you notice of compulsory withdrawal as soon as reasonably practicable after the withdrawal has been effected. If your Units are compulsorily redeemed, we may be required by law to withhold the value of your investment in whole or in part.

Development application approval risk

The investment objective of the Fund is contingent on obtaining approval of the DA. If the DA requires material changes it could increase costs or cause a significant delay. This may make the Fund less profitable or even unviable. It may also be possible that the Council rejects the DA entirely which would substantially reduce the value of the Options or prevent them from being sold. If the DA fails, Investors are likely to lose their entire investment.

Property value risk

The value of the Options will be impacted by the underlying value of property in the general Sydney market. Decreases in property values may negatively affect the value of the options even if approval of the DA is received.

Concentration risk

There is an increased risk associated with investments that are highly concentrated in terms of particular types of property, locations or activities. The Options over the Site are the primary investment of the Fund.

Due diligence risk

In all investments there exists a risk that material items that could affect the performance of individual investments are not identified during the investment analysis process and that these risks are not mitigated by the Manager.

Environmental risk

The value of the Site could be adversely affected by the discovery of environmental contamination or the incorrect assessment of costs associated with an environmental contamination, as well as restrictions associated with flora and fauna conservation.

Disaster risk

Disasters such as natural phenomena, acts of God and terrorist attacks may damage or destroy the Site. If this were to happen, the Options held by the Fund may fall significantly in value and may become worthless.

Limited track record risk

The Fund is a newly established managed investment scheme and has no track record or past performance. However, as of the date of this IM, the directors of the Manager have over 35 years' experience between them in the property development market.

Liquidity and withdrawal risk

You cannot withdraw Units during the term of the Fund, which may represent a risk to you in the event that you require the return of your investment more urgently.



Market risk

This is the risk that negative market movements will affect the price of assets within a particular market. By their nature, markets experience periods of volatility involving price fluctuations of varying magnitudes. Property market risk is the risk that the property market as a whole declines in value in line with various trends in the Australian or overseas markets. This may be due to a number of factors, such as over-supply of real estate, economic conditions, interest rate movements or general market sentiment. If the property market falls, this may result in a fall in the value of the Site which is likely to affect the value of the Options held by the Fund.

Taxation risk

Changes to tax law and policy (including any changes in relation to how income of the Fund is taxed or to the deductibility of expenses or stamp duty law) might adversely impact the Fund and your returns. You should obtain independent tax advice in respect of an investment in the Fund.

Currency risk

The Fund is denominated in Australian dollars. All income and capital distributions to you will be made in Australian dollars. You should consider the effects of fluctuations in exchange rates between Australian dollars and other foreign currencies.

General investment risks

In addition to the specific risks identified above, there are also other more general risks that can affect the value of an investment in the Fund. These include the following:

- The state of the Australian and world economies.
- Interest rate fluctuations.
- Legislative changes (which may or may not have a retrospective effect) including taxation and accounting issues.
- Inflation.
- Negative consumer sentiment which may keep the value of assets depressed.
- Natural disasters and man-made disasters beyond our or the Manager's control.
- The illiquidity and cost of capital markets.

The risk factors outlined above are not a complete explanation of all the risks associated with investing in the Fund. Before investing, it is important to read the entire IM and consider your investment timeframe and your individual risk tolerance. None of the Trustee, the Manager, nor any related entity or any associate, nor any service provider to the Fund guarantees the performance of the Fund, the return of an Investor's capital or any specific rate of return.



SECTION 6 – FEES AND OTHER COSTS

The maximum amount sought by the Fund is \$4,400,000 from the issue of 4,400,000 Investor Units. These funds will be spent on:

- Fund related fees and costs; and
- The costs required to undertake the DA process in relation to the Site (Property Related Costs).

Establishment fee

An establishment fee of \$20,000 has been paid to the Trustee by the Manager for the work conducted to establish the Fund. The Manager has already paid this fee to the Trustee but has the right to recover it from the assets of the Fund. This reimbursement may be paid in a single payment or in smaller increments on different occasions

Trustee fee

We are entitled to a trustee fee of \$3,500 per month (indexed to the higher of 3% or CPI on 1 July each year from 1 July 2020), commencing from the date of first issue of Units under this IM.

This fee is calculated and is payable monthly in arrears from the assets of the Fund.

Additionally, in recognition that the Fund is expected to be wound up within 2 years after establishment, the Trustee or its related or associated entity will be issued with Investor Units equal to \$92,000 in value at the outset of the Fund.

Management fee

The Manager is entitled to a management fee of \$30,000 per month for the first 18 months of the fund. This fee is calculated and is payable monthly in arrears from the Fund's assets. The management fee commences on the first issue of Investor Units in the Fund under this IM.

The Manager is also entitled to be reimbursed with the costs it has incurred in securing the options and costs associated with the establishment of the Fund, such as legal and tax advice.

Trustee removal fee

We are entitled to be paid a removal fee if we:

- are removed as trustee of the Fund within 2 years of the issue of the first Investor Unit under this IM, other than for gross negligence, fraud or dishonesty or for a breach of a fiduciary duty to Investors which causes them substantial loss, or
- retire as trustee of the Fund within 2 years of the issue of the first Unit under this IM at the request of the Manager in accordance with the Investment Management Agreement.



The amount of the removal fee is the amount of fees we would have received if we had remained the trustee of the Fund for 2 years from the issue of the first Investor Unit in the Fund under this IM, less the total of the trustee fee already paid (but excluding the value of Investor Units issued to us or to our related or associated entity) to the date of removal or retirement.

In respect to the minimum term and the term of the Fund, see **Section 4 – Units issued to the Trustee (or its related or associated entity)**.

Administrator and Registrar removal fee

The Administrator and/or the Registrar may be entitled to be paid termination fees if their appointments are terminated within 2 years of the date of their appointment, in accordance with the relevant service agreements.

Operating costs and expenses

The Trustee and the Manager are entitled to be paid or reimbursed from the assets of the Fund for costs and expenses associated with the operation of the Fund, such as the costs associated with the administration or distribution of income, the Administrator's fee, the Registrar's fee, fees to other service providers and other expenses properly incurred in connection with performing their duties and obligations in the day to day operation of the Fund. This includes the fees to external service providers appointed to assist the Manager obtain the DA. Examples of such service providers are architects, town planners, lawyers, experts used in the design competition etc. It also includes the costs of lodging with Council the various applications required to obtain the DA sought and other costs associated with obtaining the DA.

Goods and services tax

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

The Fund may not be entitled to claim a full input tax credit in all instances.

Fee changes

The Constitution allows for higher fees to be charged than those detailed and specifies circumstances where additional fees may be charged. The Trustee will provide Investors with at least 30 days' written notice of any such fee imposition or increase.

Waiver, deferral or rebate of fees and expenses

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

Third party referral fees

Your advisor may charge a commission in relation to your investment into the Fund. You should agree with your advisor the amount of any such commission payment. Neither the Trustee nor the Manager will retain any commission for their own benefit from your investment.



SECTION 7 – TAXATION INFORMATION

We do not provide financial or tax advice, and nor does the Manager. We have not obtained taxation advice specific to the Offer, and nor has the Manager. As such, this IM does not address taxation issues which may be relevant to you. You must take full and sole responsibility for your investment in the Fund, the associated taxation implications arising from your investment and any changes in those taxation implications during the course of your investment.

Before investing in the Fund, you should obtain your own independent tax advice, which takes into account your own circumstances. In particular, you should seek advice on income tax and interest withholding tax liabilities arising out of the investment.



SECTION 8 – ADDITIONAL INFORMATION

Summary of material documents

The following is a summary of material documents relevant to the Fund. You should consider whether it is necessary to obtain independent advice on any of the documents.

Constitution

The Constitution is the primary document governing the relationship between the Investors and the Trustee. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each.

Subject to the Constitution and the terms of issue in relation to Units, as an Investor you have the following rights:

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

A copy of the Constitution is available free of charge by calling us on (02) 8277 0000.

Investment Management Agreement

We have appointed the Manager to provide investment management services to the Fund pursuant to an Investment Management Agreement.

The Investment Management Agreement contains provisions dealing with matters such as the Manager's obligations to report to us and the fees payable to the Manager for its services.

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

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

Reporting

Our reporting will comprise the following:

- (a) An investment confirmation upon issuing Units.
- (b) A periodic performance update report at the discretion of the Trustee.
- (c) An annual income distribution statement detailing any distributions paid to you, including an annual tax statement detailing information required for inclusion in your annual income tax return which will be provided within 90 days of the end of each financial year.

Annual financial reports of the Fund will be made available by email if requested.



Related party transactions

We may from time to time face conflicts between our duties to the Fund as trustee, our duties to other funds we manage and our own interests. We will manage any conflicts in accordance with our conflicts of interest policy, the Constitution, ASIC policy and the law.

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

It is intended for the Fund to acquire all of the shares in VC 8SS from the Manager as soon as possible after the date of this IM. The directors of VC 8SS are Jim Castagnet and Phillip Adamcewicz who are also directors of the Manager. Mr Castagnet and Mr Adamcewicz have agreed to remain as directors of VC 8SS.

We may from time to time enter into transactions with related entities. All transactions will be effected at market rates or at no charge.

We have appointed the Administrator, an associated company, to provide fund accounting and taxation services to the Fund pursuant to an administration agreement under which the Administrator provides administration services for day-to-day operations of the Fund. These services include fund accounting, Unit pricing, reporting and preparation of statutory accounts. We have appointed the Registrar, a related party, for unit registry services in respect of the Fund. We have appointed these parties in consultation with, and with agreement from, the Manager.

Change of trustee

A change of trustee for the Fund requires Investors to pass an extraordinary resolution to give effect to the replacement. An extraordinary resolution must be passed by at least 50% of the total votes that may be cast by Investors entitled to vote (including Investors who are not present in person or by proxy).

Conflicting Investor interests

Investors may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of acquisitions and disposals of the Fund's assets. Conflicts may arise in connection with decisions made by us or the Manager regarding an investment that may be more beneficial to one Investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments we and the Manager may consider the investment and tax objectives of the Fund and its Investors as a whole, not the investment, tax, or other objectives of any Investor individually.

No cooling-off rights

There are no cooling-off rights or cooling-off period that apply in respect of your investment in the Fund.



Privacy

We collect personal information about you from your Application Form. We use this information primarily so we can verify your identity and establish your investment in the Fund. We will also collect and may use and disclose your personal information to process your application and manage your investment, comply with our obligations under applicable laws and regulations and improve our products and services. We may also use your information to provide you with details of future investment offers made by us or the Manager.

If you do not provide us with all the personal information we request, then we may be unable to establish and manage your investment in the Fund. The types of organisations to which we may disclose your personal information include the Manager and its related parties, external parties which provide services in relation to the Fund (e.g. custodial and registry service providers and providers of printing and postal services), government authorities when, and to the extent, required by law, and our professional advisors (including legal and accounting firms, auditors, consultants and other advisors).

Under the Privacy Act 1988 (Cth), you are entitled to access the personal information we hold about you, except in limited circumstances. You also have the right to ask us to correct information about you which is inaccurate, incomplete or out of date.

Please contact us if you have any questions about how we handle your personal information, or if you wish to access the personal information we hold about you. A copy of our privacy policy is available on www.oneinvestment.com.au.

Anti-money laundering law

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires us to verify the identity of an Investor and any underlying beneficial owner of Units in the Fund and the source of any payment. You will be required to provide the identification information set out in the Application Form. We will not issue you with Units unless satisfactory identification documents are provided.

We reserve the right to reject any application where such documents are not provided to us prior to, or accompanying, your application or if we believe on reasonable grounds that processing the application may breach any law in Australia or any other country. We will incur no liability to you if we do so.

Foreign Account Tax Compliance Act (FATCA)

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



Common Reporting Standard (CRS)

CRS is a global standard set by the Organisation for Economic Co-operation and Development (OECD) for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts. We are a 'Reporting Financial Institution' under CRS and we comply with our CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain Investors to the ATO or other foreign tax authorities as required. To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable).

Complaints and contacting us

We have a system for dealing with any complaints you may have as an Investor. If you have a complaint, then please contact us at:

Telephone: (02) 8277 0000

Email: complaints@oneasset.com.au

Post: Complaints Officer
One Investment Group
PO Box R1471, Royal Exchange, NSW 1225

Your complaint will be acknowledged promptly and will be dealt with within 45 days.



SECTION 9 – DIRECTORY

Trustee

One AR Pty Ltd ACN 602 601 776
Level 11, 20 Hunter Street,
Sydney, NSW 2000
Telephone: (02) 8277 0000
Website: www.oneinvestment.com.au
Email: enquiries@oneinvestment.com.au

Manager

Versailles Capital Pty Ltd ACN 628 328 647
Suite 805, 97 Pacific Highway
North Sydney, NSW 2060
Telephone: 1300 631 002
Website: www.versaillescapital.com.au
Email: phillip@versaillescapital.com.au

Administrator

Unity Fund Services Pty Ltd ACN 146 747 122
Level 8, 25 Bligh Street,
Sydney NSW 2000
Telephone: (02) 8277 0000
Website: www.unityfundservices.com.au
Email: enquiries@unityfundservices.com.au

Registrar

One Registry Services Pty Ltd ACN 141 757 360
Level 11, 20 Hunter Street,
Sydney, NSW 2000
Telephone: (02) 8277 0000
Website: www.oneregistryservices.com.au
Email: info@oneregistryservices.com.au



SECTION 10 – GLOSSARY

Act	<i>Corporations Act 2001</i> (Cth) for the time being in force together with the regulations of the <i>Corporations Act 2001</i> (Cth).
Administrator	Unity Fund Services Pty Ltd ACN 146 747 122.
AFS Licence	Australian Financial Services Licence.
Application Form	The application form to invest in the Fund.
Application Money	The money paid by an applicant for Units.
ASIC	Australian Securities and Investments Commission.
ATO	Australian Taxation Office.
Business Day	A day on which banks are open for business in Sydney, except a Saturday, Sunday or public holiday.
Constitution	The constitution of the Fund, as amended from time to time.
Council	The City of Parramatta Council.
DA	Development Application.
Fund	Versailles Capital No. 8 Sorrell Street Fund.
IM	This information memorandum.
Investment Management Agreement	The investment management agreement between the Trustee and the Manager, as amended from time to time.
Investor	A person who has acquired Investor Units under this IM.
Investor Units	A class of Units in the Fund known as 'Investor Units', carrying rights in distributions and voting in the Fund.
Manager	Versailles Capital Pty Ltd ACN 628 328 647.
Manager Units	A class of Units in the Fund known as 'Manager Units', which carry equal distribution rights as Investor Units. Manager Units do not carry voting rights in the Fund.
Options	Comprised of 42 option contracts over land at 8-12 Sorrell Street, Parramatta, New South Wales, held by VC 8SS.
Offer	The offer under this IM to acquire Investor Units.
OIG	One Investment Group.
Qualifying Investor	A wholesale client as defined in section 761G (7) of the Act or a sophisticated investor as defined in section 761GA of the Act.



Registrar	One Registry Services Pty Limited ACN 141 757 360.
Return	The total return (both income and capital growth) received or to be received by Investors in respect of their investment in the Fund.
Site	8-12 Sorrell Street, Parramatta NSW 2150, currently consisting of 3 low rise buildings comprising 42 apartments under strata plan no. 16657.
Trustee	One AR Pty Ltd ACN 602 601 776.
Unit	A unit in the Fund including a Manager Unit or an Investor Unit (as the case may be).
Unitholder	A holder of a Unit.
VC 8SS	VC 8SS Pty Ltd ACN 631 354 393.



SECTION 11 – HOW TO INVEST

The Application Form is provided separately and is available to complete at oneinvestment.com.au.

You can also request an Application Form from the Registrar. Please contact the Registrar on (02) 8188 1510 or info@oneregistryservices.com.au

Before completing the Application Form you should read this IM carefully.

Please pay particular attention to all of the risk factors in **Section 5 – Risks** of this IM. The risks should be considered in light of your own investment situation.

Where appropriate, you should also consult a financial, taxation or other professional advisor before deciding whether to invest in the Fund.

How to invest

For an application to be considered, you must complete and return your Application Form and pay the Application Money. You can pay the Application Money by returning the Application Form with a cheque for the proposed investment amount or note that the Application Money has been transferred by electronic funds transfer.

You are requested to provide your Tax File Number (TFN), Australian Business Number (ABN) or exemption code, and failure to quote an ABN or TFN will result in tax being withheld by us on distributions paid to you at the highest marginal tax rate plus Medicare levy. It is not compulsory for you to quote your TFN or ABN.

We have the sole discretion whether to accept or reject an application. Interest will not be paid to applicants on Application Money. If your application to invest in the Fund is accepted, then interest earned on your Application Money will be retained by us. If your application to invest in the Fund is not accepted, then we will notify you in writing and your Application Money will be returned to you (without interest).

By sending a completed Application Form, you are applying to become an Investor in the Fund and you are agreeing to be legally bound by the Constitution and the terms of this IM.



VERSAILLES
◀ CAPITAL ▶

