



VentureCrowd

Development of residential property located at:
396-404 Park Ridge Road, Park Ridge, Qld 4125
Issue date 2nd September 2020

VENTURECROWD HIGH GROWTH PROPERTY FUND PARK RIDGE, QLD

VENTURECROWD TRUST NO. 519

INFORMATION MEMORANDUM
(ORDINARY EQUITY)

A WHOLESALE INVESTMENT TRUST
FOR THE DEVELOPMENT OF
RESIDENTIAL PROPERTY

PARK RIDGE ROAD DEVELOPMENT PTY
LTD ACN 644 005 809

VENTURECROWD PTY LTD
ACN 40 166 598 849
AFSL NO. 503 381
VENTURECROWD.COM.AU

About this Information Memorandum

Important Information: This Information Memorandum is an important legal document and should be read in its entirety. This Information Memorandum is issued by VentureCrowd Pty Ltd ACN 166 598 849 (**Fund Manager**) under Australian Financial Services License No.503381. This Information Memorandum is neither a prospectus nor a regulated disclosure document under the Corporations Act 2001 (Cth) (**Act**), nor is it required to be. A copy is not required to be, and has not been, lodged with the Australian Securities and Investments Commission. This Information Memorandum has been prepared only for issue to and use by prospective investors who qualify as wholesale clients as defined in the Act (**Wholesale Clients**) and is not intended to be received or read by anyone other than a Wholesale Client.

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No advice: In providing this Information Memorandum the Fund Manager has not taken into account the recipient's objectives, financial situation or needs and accordingly the information contained in this Information Memorandum does not constitute personal advice for the purposes of section 766B(3) of the Act. None of the Fund Manager or its related parties, officers, employees, consultants, advisers or agents represent or warrant that an investment in the Fund is a suitable investment for the recipient. The Fund Manager strongly recommends that potential investors seek independent professional advice as to the financial, taxation and other implications of investing in the Fund before investing.



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Forward looking statements: This Information Memorandum contains forward looking statements which are identified by words such as “may”, “could”, “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans” and other similar words that involve risks and uncertainties. These forward looking statements are subject to various factors that could cause the results of the Fund to differ materially from those expressed or anticipated in these statements. The Licensee does not intend to update or revise forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Information Memorandum, except where required by law.

Investment risk warning: An investment in the Fund is speculative and as with any investment there are inherent risks in investing in the Fund, including the risk that an investment may result in a reduction in, or total loss of, the capital value of the investment, loss of income and returns that are less than expected or delays in repayment of capital. None of the Fund Manager nor its related parties, officers, employees, consultants, advisers or agents, guarantee the performance of the Fund nor the repayment of capital invested in the Fund. Nothing in this Information Memorandum is or should be relied upon as a promise or representation as to the future. The Fund Manager expressly disclaims all liability for any loss or damage of whatsoever kind (whether foreseeable or not) which may arise from any person acting on any information contained in this Information Memorandum or any information which is made available in connection with any further enquiries, notwithstanding any negligence, default or lack of care. In furnishing this Information Memorandum, the Fund Manager undertakes no obligation to provide any additional information other than as specifically stated in this Information Memorandum.



1. Investment Summary

1.1 Overview

VentureCrowd has secured an option (**Option**) over property located at 396-404 Park Ridge Rd, Park Ridge Queensland 4125 (**Property**) with an existing DA for the creation of 25 housing lots and has established a wholesale investment fund (Fund) to finance the acquisition of the Property and commence the civil works.

The investment strategy of the Fund is to develop the property into a single stage 25 lot subdivision with innovative two storey dwellings that contain the latest in environmental design features, and sell the lots for a profit within a 22-month time frame.

The highlights of this project are as follows:

1. 25-lot single stage land subdivision
2. Project targeting 30.47% ROE
3. 22 month project period
4. Minimum investment of \$25,000
5. Strong population growth in a high-demand area
6. High rental yields averaging 4.6%
7. Park Ridge Master Plan providing new urban infrastructure, parks & amenities
8. Open to wholesale, sophisticated and approved experienced investors only

1.2 Key Features

The table below is a summary of the key features of an investment in the Fund. Potential investors should read the whole of this Information Memorandum and the Trust Deed for more detailed information about the Fund.



Item	Detail
Project	<p>The Fund is being established to fund the acquisition of and commence the civil works for a residential property development project located at Park Ridge in South East Queensland.</p> <p>It currently consists of a Development Approval that provides for the creation of 25 housing lots. The fund intends on investigating the viability once acquired of improving the yield through design, however the financial forecasts contained in this information memorandum are based on current approvals.</p>
Offer	<p>This is an offer of \$1.00 Units in the VentureCrowd Trust No. [519] (Park Ridge Road Development Pty Ltd)(Fund), an unregistered unit trust. The Fund will acquire ordinary shares in a newly incorporated entity that will own the Property.</p>
Offer Closes	<p>The offer closes on the sooner of 5PM on Friday 27th November 2020 or the date the allocation is fully subscribed. The Fund Manager reserves the right to close the offer early, extend the offer or withdraw the offer without notice.</p>
Target IRR	23.61%
Target ROE	30.47%
Minimum Investment	\$25,000
Fund Size	<p>The Fund Manager intends to raise \$2,500,000 of equity for the project.</p> <p>The Fund may also issue preference equity after the redesign to cover any extra development costs but will not be issuing further ordinary equity.</p>
Asset	<p>The Fund's underlying asset will be the property located at 396-404 Park Ridge Rd, Park Ridge, Queensland 4125.</p>
Fund Manager	<p>VentureCrowd Pty Ltd is the manager of the Fund. Further information about the Fund Manager is contained in section 2.1.</p>
Development Manager	<p>VentureCrowd Property Australia Pty Ltd, an associate of the Fund Manager, has been appointed as the development manager for the project. Further information about the Development Manager is contained in section 2.2.</p>
Sales Manager	<p>VentureCrowd Sales Pty Ltd, an associate of the Fund Manager, has been appointed as the marketing and sales agent for the project. Further information about the Sales Manager is contained in section 2.3.</p>



Builder

Homecorp Constructions Pty Ltd has been appointed as the builder of the houses that form part of the house and land packages for the Project. Further information about Homecorp is contained in its capability statement [HERE](#).

Homecorp, who are ultimately controlled by Toyota, are a valuable partner of VentureCrowd, delivering construction services at market competitive rates.

The feasibility for the current 25 lot Development Approval does not contain the construction costs as the project will be selling house and land packages with the end user contracting directly with the Builder.

Exit Strategy

The Property will be developed into a single stage subdivision with innovative two storey dwellings that contain the latest in environmental design features. These designs will enable more efficient land use and may facilitate an increase in lot yield subject to council approval.

Distribution Policy

No distributions will be paid during the term of the project.

Exit Strategy

The Property will be developed into a staged townhouse estate, with the completed dwellings intended to be sold for a profit.

Capital Return Policy

The Fund Manager proposes to return capital to Unitholders once the settlement of the dwellings commences, subject to:

- ongoing working capital requirements of the Project;
- requirements of tax legislation; and
- the construction financier's consent.

Term

The term of the Fund is estimated to be 22 months from the issue of Units to the settlement of the final lot. Following the settlement of all dwellings, the Fund Manager will wind up the Fund in accordance with the Trust Deed with any remaining profits and capital returned to Unitholders.

Liquidity

Units will not be listed on a securities exchange and Unitholders will not have withdrawal or redemption rights. Therefore, Units should be considered illiquid.

Debt Facility

Following the deployment of the equity funding, additional funds to complete the project will be sourced through a commercial construction debt facility in return for a registered first mortgage security on the Property. The debt facility will be repaid progressively during the life of the Project from the proceeds of sale of completed dwellings.

Fees

Fees are set out in section 6 below.

How to invest?

You can apply to invest in the Fund directly at www.venturecrowd.com.au.

If you would like more information about this offer, please:

- email us at hello@venturecrowd.com.au or
- call us on 1300 039 655.



2. Management

2.1. Fund Manager – VentureCrowd

VentureCrowd has been appointed as the manager of the Fund under an investment management agreement between it and the Trustee. VentureCrowd was established in 2013 and has been issued with Australian Financial Services License No.503381 from the Australian Securities & Investments Commission. All financial services related to the Fund will be provided pursuant to the authorisations granted under that AFSL.

VentureCrowd is managed by a team of highly experienced investment management professionals with extensive expertise in funds management, property development, legal, finance and business administration.

For further information about VentureCrowd, please visit our website at www.venturecrowd.com.au



Craig Hart

Director & Chair

Craig is a corporate lawyer and former President of Omnicom Group (Asia). Prior to that Craig held a number of senior executive roles including as Chief Executive Officer of CPM Asia Pacific and Blueprint Group. More recently Craig sits on a number of boards and brings his significant business management, governance and M&A experience to high-growth companies in the roles of either non-executive director, executive director or Chair, including VentureCrowd.



Steven Maarbani

Director, Chief Executive Officer

Steven is corporate lawyer and former PwC partner specialising in funds management and financial services. He has advised on the establishment of many of Australia's leading venture capital funds (including corporate venture capital funds) as well as co-founding Australia's first equity crowdfunding platform, VentureCrowd. Steven is also a member of the Innovation Advisory Council of the Real Tech Ventures Fund, and sits on the Advisory Board of a number of high-growth companies.



Darren Tasker

Director

Darren spent 20 years in senior executive roles with large industrial companies, culminating with his most recent role as the Chief Operating Officer of WesTrac (part of Kerry Stoke' Seven Group Holdings ASX:SVW). He has led finance and operations functions and transitioned several large acquisitions during his career. Darren originally studied as a mechanical engineer before attending Harvard Business School in 2009.



Garth Young

Director

Garth is a seasoned entrepreneur with experience in leading businesses from scale-up through to exit. He was the Co-Founder and Managing Director of both Inflight Logistic Services and Inflight New Zealand, which were sold to Gate Gourmet. Following the sale, Garth remained as Managing Director of Gate Gourmet, as the group was floated on the Zurich stock market.

2.2. Development Manager – VentureCrowd Property

VentureCrowd Property, an associate of the Fund Manager, has been appointed as the development manager for the Project. VentureCrowd Property was established in 2012. Its development management team comprises registered engineers, architects and project management executives with a wealth of experience in property development, property finance and construction management.

The development management fees payable to VentureCrowd Property are in line with market rates and have been fully disclosed in the project feasibility.

2.3. Sales Manager – VentureCrowd Sales

VentureCrowd Sales, an associate of the Fund Manager, has been appointed to manage sales and marketing functions for the Project. VentureCrowd Sales currently manages land and property sales for a number of property development projects across Queensland. Its sales team comprises licensed real estate agents and sales professionals with a wealth of experience in off-the-plan property sales.

The sales commissions payable to VentureCrowd Sales together with the marketing cost allowances in respect of the sales program are in line with market rates and have been fully disclosed in the project feasibility.

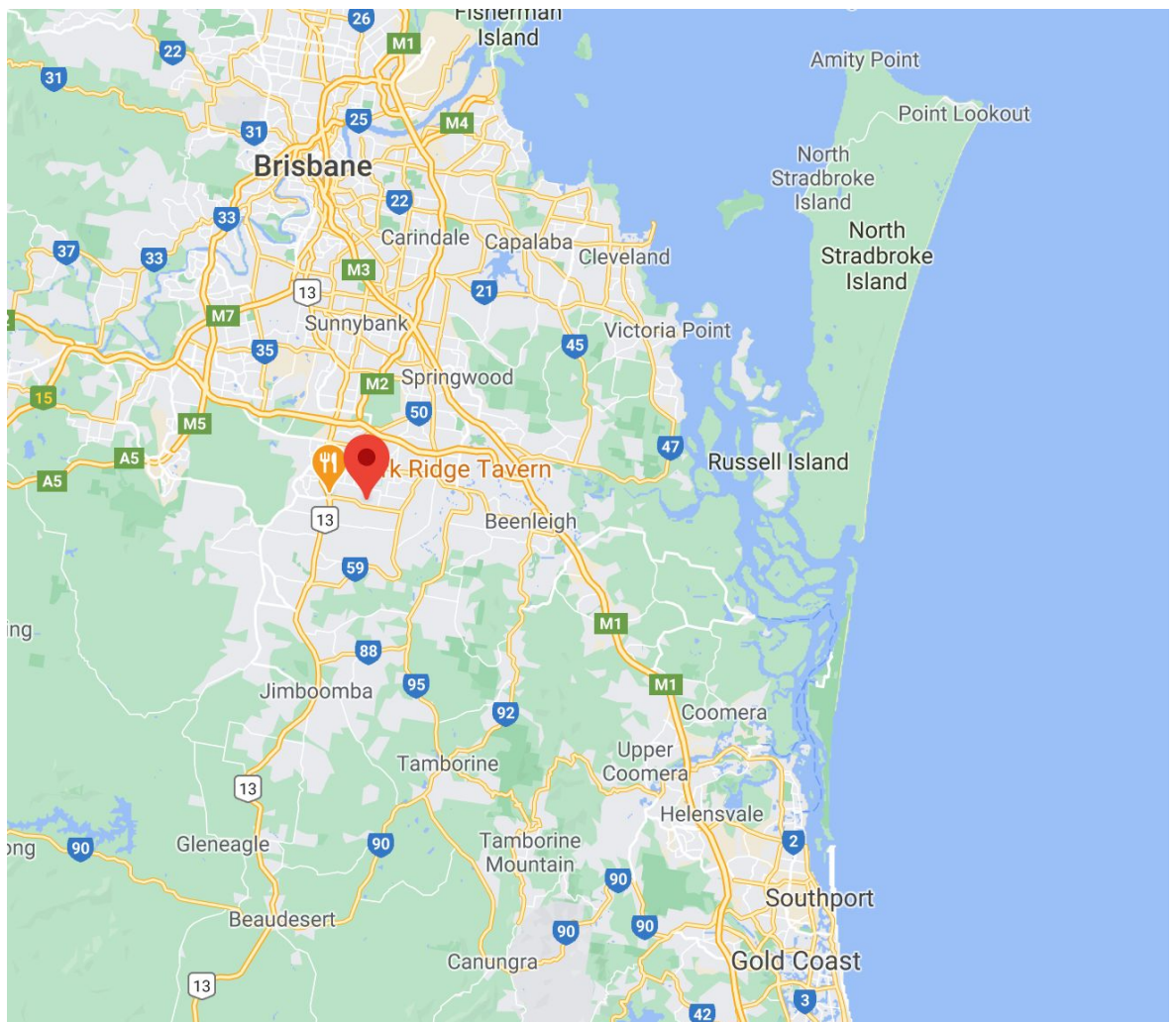


3. The Project

3.1. Fund Manager – VentureCrowd

The site is located at 396-404 Park Ridge Road comprises 2 hectares positioned right in the middle of Park Ridge. Park Ridge is a suburb located in the Logan City Council LGA which is between Brisbane and the Gold Coast region.

COVID has had a dramatic effect on this region with the Gold Coast seeing record buyer activity and all land estates reporting a shortage. A small land subdivision project of this size is ideally located to take advantage of the recent market activity.



3.2. Market Drivers

VentureCrowd has commissioned research into the suburb and the housing market relevant to the Project. A summary of that research is set out below:

Economics & employment

The property sits within the Park Ridge Master Plan which focuses on the provision of plentiful urban infrastructure and extensive parks and amenities. This is expected to drive employment and income growth, supporting property sales and rental yields.

Also, a new \$1.5 billion logistics centre is currently under construction on the corner of Green Road and Clark Road. When complete, this facility will be one of Queensland's largest industrial projects and will employ up to 6,000 people across 650,000m² of warehousing, business, logistics and manufacturing space.

Population growth

The suburb of Park Ridge currently has a population of 14,100 permanent residents and is located in Logan City Council, the sixth fastest-growing local government area (LGA) in Queensland.

Park Ridge had the largest annual population increase (almost 1,000 new residents) of all surrounding suburbs.

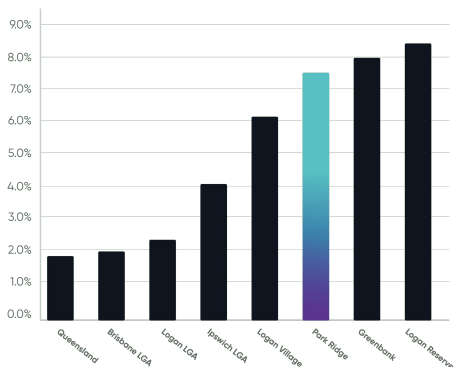
Importantly, population growth in Park Ridge is supply-led; that is, population growth occurs when new dwellings are supplied. This provides a high level of comfort that development of 400 Park Ridge Road will meet with strong market acceptance.

The area between the Mount Lindesay Highway in the west to Chambers Flat Road in the east, bounded to the south by Rosia Road and Koplick Road and in the north by Green Road and Bumstead Road, has been declared a priority planning area by the Logan City Council and consequently master-planned.

Over the next 20 years, Council estimates this 2,548-hectare precinct will see an additional 12,000 dwellings built and be home to an additional 30,000 residents.

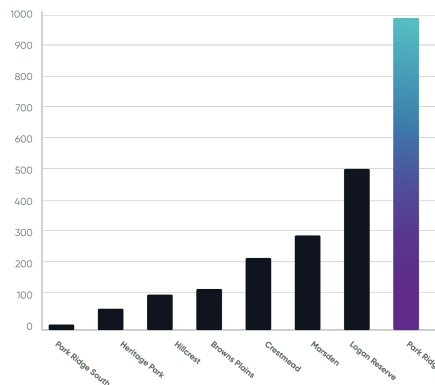
Annual Population Growth

Chart 4: Park Ridge and surrounds



Annual Population Growth

Chart 5: Park Ridge and surrounds



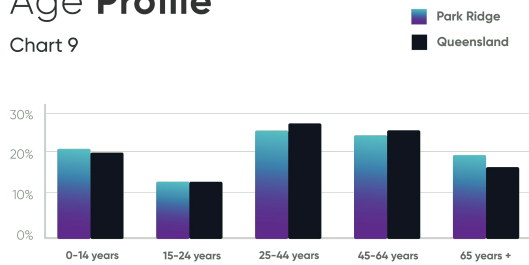
Demographics

The predominant household type in Park Ridge is a couple with children (31% of all households). Looking ahead, Park Ridge could expect, as with nearby suburbs such as Crestmead, when more new estates are developed there will be a growing number of “couple with children” households as well as an increase in single parent families, which are already relatively high in Park Ridge.

The predominant occupations of Park Ridge residents are clerical/administrative workers and manual labourers.

Age Profile

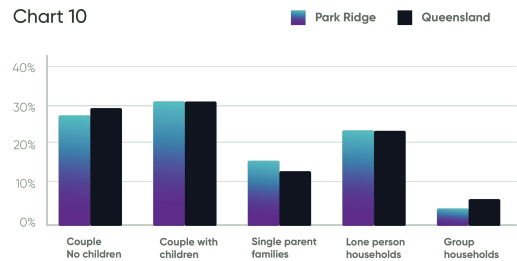
Chart 9



Broad Property Research & Advisory Pty Ltd. Source: ABS Census 2016*

Household Profile

Chart 10



Broad Property Research & Advisory Pty Ltd. Source: ABS Census 2016*

Infrastructure investment & government spending

The Park Ridge Master Plan focuses on the provision of plentiful urban infrastructure and extensive parks and amenities, including a large regional park just 600 metres from 400 Park Ridge Road, a Woolworths-anchored shopping centre only 1.5km away along Chambers Flat Road, the proposed extension of commuter bus services south from Browns Plains, and a proposed express bus service from the Park Ridge Town Centre into Brisbane’s CBD.

Supply & demand

According to the Residential Tenancies Authority, around 70 new rental bonds are lodged each month in postcode 4125 (Park Ridge/Munruben) and rents for detached houses have increased by 3.2% over the past 12 months.

Gross rental yields in Park Ridge are currently averaging 4.6% per annum, slightly higher than average gross rental yields across Brisbane as a whole (4.5%) and way ahead of average gross rental yields in both Melbourne (3.2%) and Sydney (2.9%).

Whilst Logan City Council has undertaken an extensive master-planning exercise for all of Park Ridge, the Park Ridge area is currently characterised by fragmented land ownership.

This means that most new estates are small in size, being developed on rural residential allotments similar to 400 Park Ridge Road, that give yields of around 20-30 new dwellings.

Whilst there are many competing estates in the local area, developers are finding rates of sale are more than acceptable and there is a large market for reasonably-priced product, both for first-home buyers and upgraders from the local area, and as built product for the growing rental market.

Location & lifestyle factors

Park Ridge is well positioned close to public transport, the Hubner Park sporting fields, early education centres, a number of primary and high schools, TAFE, Griffin University (Logan Campus), medical centres and health facilities (including Logan Hospital), IKEA Springwood and other shopping centres.

Nearby shopping centres include Grand Plaza Shopping Centre (which includes Aldi, Coles, Woolworths and an 8-screen Event Cinema) and Brown Plains Home Supercentre (which includes Bunnings, Harvey Norman and JB Hi Fi).

Affordability

This project is targeted at first home owners and investors seeking reliable rental yields. This is the largest and most resilient sector of the Australian housing market.

The September RBA cash rate remains at an historic low of 0.25%. We expect mortgage rates to remain competitive and home loans to remain affordable.

In addition, as a result of COVID-19, numerous State and Federal government incentives targeted at first home owners have been introduced to fuel buying activity in the part of the housing market.

More detailed information can be found by reading the **Broad Property Research and Advisory Research report found [HERE](#).**

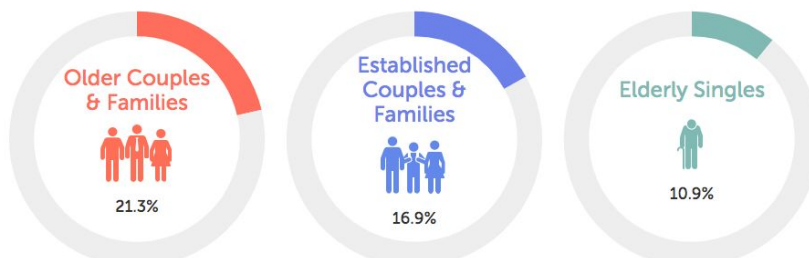


The lifestyles and people of Park Ridge

The lifestyle of a suburb is often influenced by who lives there.

Top 3

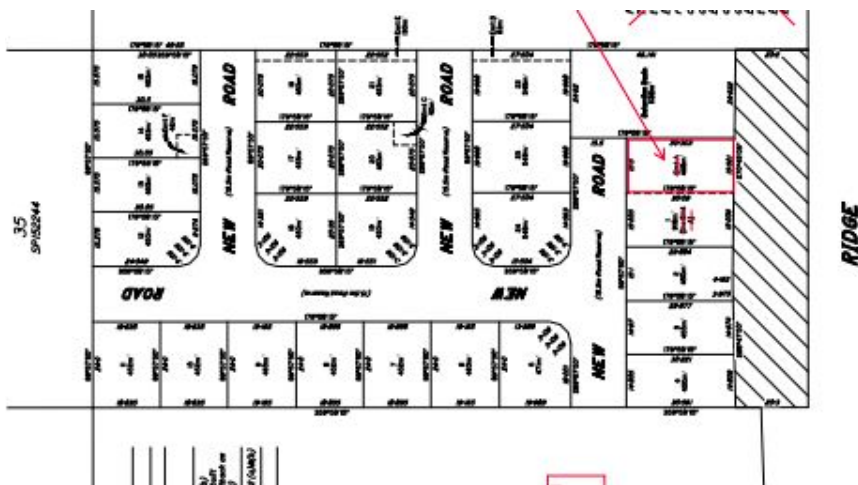
Details



3.3. Development Strategy

The Current Development Approval

The site will be developed into 25 land in one stage in accordance with an existing Development Approval (DA) issued by the Logan City Council.



Under the DA conditions, the property requires standard civil works to provide services to the lots. All civil construction works including earthworks, roads, stormwater, sewer reticulation and watermain reticulation will be completed in one stage and this is expected to take five months.

The monitoring of the tendering and civil construction works, including acceptance of the construction works by council and progress claims submitted by contractors will be managed by the Development Manager and civil engineer. Pre-sales marketing of the land will commence at the same time as the civil construction starts to further de-risk the project.

Yield Improvement

The financial forecasts contained in this document are based on the existing Development Approval, however our internal Development Management team have identified an opportunity to increase lot yield by making an application to amend the current Development Approval. We are unable to undertake the detailed design required until we are the owners of the land.

We intend on developing a new layout which subject to council approval will may add additional revenue to this development. however investors should not rely on that outcome and should only invest based on the forecasts contained in this Information Memorandum. If an increased yield is possible, it may require additional capital. In that scenario, the Fund Manager will raise preference equity to fund those additional costs in order to improve the yield to the equity investors.

3.4. Homecorp Property Group

Homecorp has entered into a joint venture with VentureCrowd to scale their collective execution capability into the Australian property market.

This Project is another example of this collaboration, bringing together VentureCrowd's capital and funds management capability and Homecorp's construction delivery system backed by the Japanese group that invented lean management systems, Toyota. The Fund Manager has appointed Homecorp Constructions Pty Ltd as the builder for the Project.

Homecorp is an established leader in residential urban property development and master planned communities and will be providing construction services to the Project. Homecorp is 51% owned by Toyota Housing Corporation through its subsidiary Misawa Homes Co Ltd. Toyota Housing Corporation has been building homes since 1975 and has chosen Homecorp to spearhead its expansion into the Australian housing market, bringing with it the latest design and production innovations you would expect from an organisation of this pedigree.

Since inception, Homecorp has successfully developed over \$1.5 billion of residential housing projects for itself and some of Australia's leading property groups. With a current development pipeline of over 4,000 residential lots, Homecorp is committed to the creation of continued economic growth, prosperity and job creation in all of the regions.



3.5. Financial Forecast

The project is forecasting net sales revenue of \$6,456,674 and net development profit of \$768,147 with an investment IRR of 23.61% based on the current DA.

The table below contains a summary of the financial forecast for the Project. The detailed financial feasibility is available [HERE](#).

PROJECT COSTS	TOTAL:
REVENUE	
NET Sales Revenue	\$6,456,674
- Gross Sales Revenue	\$6,753,843
- Less Selling Costs	\$(297,169)
TOTAL REVENUE (After GST Paid)	\$5,842,688
- Total Revenue (Before GST Paid)	\$6,456,674
- Less GST Paid on all Revenue	\$(613,986)
COSTS	
Land Purchase Cost	\$2,050,000
Land Acquisition Costs	\$199,600
Construction Costs (inc. Contingency)	\$1,413,930
- Subdivision Costs	\$1,346,600
- Contingency	\$67,330
Professional Fees	\$508,649
Statutory Fees	\$562,300
Land Holding Costs	\$15,790
Finance Charges	\$441,167
Interest Expense	\$99,775
Total Costs (After GST Reclaimed)	\$5,074,541
- Total Costs (Before GST Reclaimed)	\$5,291,210
- Less GST Reclaimed	\$(216,670)



PERFORMANCE INDICATORS	TOTAL
Net Development Profit	\$768,147
Projected Internal Rate of Return (IRR)	23.61%
Projected Return on Equity (ROE)	30.47%
Equity Contribution	\$2,500,000
Peak Debt Exposure	\$2,461,641



4. The Fund

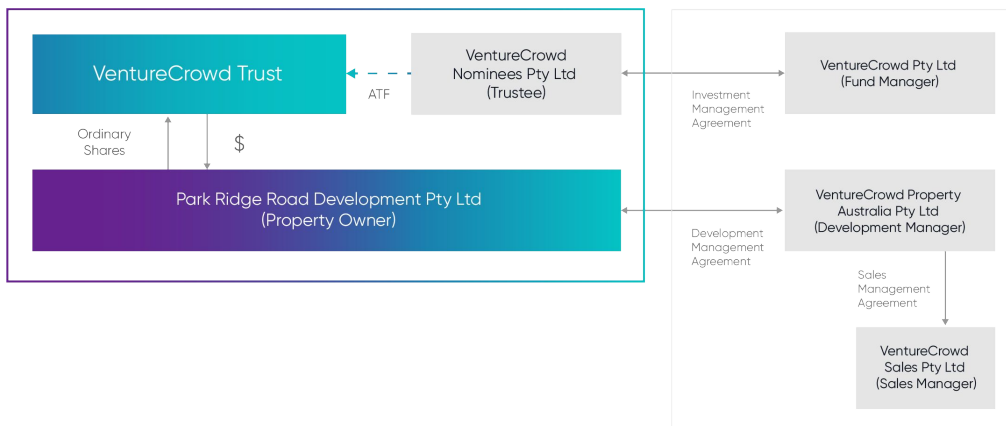
4.1. Structure

The Fund is structured as an unregistered wholesale unit trust, the trustee of which is VentureCrowd Nominees Pty Ltd (ACN 166 599 140).

Investors will acquire Units in the Fund at an issue price of \$1.00 per Unit. The Fund will acquire ordinary shares in a newly incorporated special purpose vehicle **Park Ridge Road Development Pty Ltd.**

Park Ridge Road Development Pty Ltd which was established to hold the title to the Property. Directors of **Park Ridge Road Development Pty Ltd** will be appointed by the Trustee.

The Trustee will issue Units to investors in its capacity as an authorised representative of VentureCrowd Pty Ltd (ACN 166 598 849) under its Australian Financial Services License No.503381.



4.2. Investment Strategy

The Fund Manager intends to raise \$2,500,000 of equity capital through the issue of Units in the Fund to assist with the:

1. acquisition of the Property;
2. commencement of civil works for the site; and
3. pre-sale activities.

The Property will be developed into a single stage land subdivision with the completed lots intended to be sold for a profit.

Additional funds to complete the project are likely to be sourced through a commercial construction debt facility in return for a registered first mortgage security on the Property. It is intended that the debt facility will be repaid progressively during the life of the Project from the proceeds of sale of completed dwellings.

The life of the Fund is estimated to be 22 months from the date the Units are issued to the settlement of the final lot. Following the settlement of all lots, the Fund Manager will wind up the Fund in accordance with the Trust Deed with any remaining profits and capital returned to Unitholders.

4.3. Distributions

No distributions will be paid during the term of the project.

The Fund Manager proposes to return capital to Unitholders once settlement of the lots commences, subject to:

1. ongoing working capital requirements of the Project;
2. requirements of tax legislation; and
3. repayments to the construction financier.

4.4. Liquidity

Units will not be listed on a securities exchange and Unitholders will not have withdrawal or redemption rights. Therefore, Units should be considered illiquid.

4.5. Trust Deed

The Trust Deed contains detailed information concerning the rights and obligations of an investor, the powers and functions of the trustee and the manner in which the Fund will be managed.

To the extent there are any inconsistencies between the Trust Deed and this Information Memorandum, the Trust Deed will prevail. This Information Memorandum does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Fund.

Prospective investors should review, and seek independent legal advice in respect of the Trust Deed before making an application to invest in the Fund. The Trust Deed is available on request.



5. Risks

Whilst the directors of the Fund Manager are experienced business managers and the senior executives of the Development Manager have substantial experience in managing property development projects, there are always risks associated with development and construction which may, either directly or indirectly, result in reduced distributions and/or a loss of some of the capital value of an investment in the Fund.

Before deciding whether to subscribe for Units, you should consider whether an investment in this Fund, the underlying asset of which will be the Property, is suitable for you. If you are in doubt as to whether you should invest, please consult a suitably qualified professional advisor.

The key risks associated with investing in the Fund include, but are not limited to:

RISK	SUMMARY
General risks	<p>General investment risks include:</p> <ul style="list-style-type: none">• a downturn in the general economic and market conditions in South-East Queensland;• unfavourable movements in interest rates, inflation or the unemployment rate;• changes to the law (including tax laws) and accounting rules;• industrial relations disputes and strikes;• natural disasters, including earthquakes, fire and storm; and• social unrest, terrorist attack or war in Australia or overseas.
Market risk	<p>The value of the end product may be adversely affected by a downturn in real estate market conditions. Depending on prevailing conditions it may be difficult for the end product to be sold in a timely manner or for an optimal price. There is no guarantee that the forecast sales prices or sales rates will be achieved nor that the Property will not fall in value relative to the current valuation.</p>
No guarantee	<p>Neither the performance of this investment nor the repayment of Unitholder contributions is guaranteed by the Trustee, the Fund Manager or any other person.</p>
Insurance risk	<p>The Project will take out insurance to cover the Property. However, the insurance may not cover all events or claims and is subject to deductible excesses.</p>
Development cost	<p>Forecast development costs and project expenditure may be lower than actually charged, which may result in the Project being less profitable and affecting the returns to Unitholders.</p>
Council development contributions	<p>Council development contributions contained in the feasibility are based on the considerable experience of the Development Manager and the information currently available, however these costs may exceed forecast levels. This may result in the Project being less profitable and may affect returns to Unitholders.</p>
Related party risk	<p>The Fund has entered into, and may in the future enter into, legal documents and contracts in relation to numerous aspects of the Fund's operation or the development of the Project. The Fund may be adversely affected where a party fails to perform under these agreements. There is potentially additional counterparty risk when a related party is involved.</p>

Borrowings risk

The Fund involves an investment in the Project funded partly by invested capital (equity) and partly by money that has been borrowed (debt). When a property is geared the potential for gains and losses are greater. A fall in the value of the Property could result in a breach of a borrowing covenant. If such a default occurs, the lender may enforce its security against the Property and, amongst other things, sell the Property. The borrowings of the Fund are limited recourse, meaning recourse extends only to the assets of the Fund.

Liquidity risk

An investment in the Fund should be viewed as a medium-term investment and should be considered illiquid. No holder of Units has the right to have their Units redeemed or withdrawn from the Fund, and the Trust Deed contains a prohibition on any disposal of Units.

Taxation & stamp duty

The effect of taxation on Unitholders is complex and the summary in section 7.1 is general in nature only. Investors should seek professional taxation advice specific to their own circumstances.

Taxation and stamp duty considerations taken into account by the Trustee in preparing this document are based upon relevant legislation, regulations, court decisions and rulings and pronouncements of relevant taxation and revenue authorities now in effect, all of which are subject to change or differing interpretations.

Investors should note that any such change could have retroactive application so as to result in taxation and stamp duty consequences different from those taken into account by the Trustee. The Trustee has not sought any ruling from relevant taxation or revenue authorities with respect to these considerations and there can be no assurance that the authorities will not assert, or that a court will not sustain, a contrary position.

6. Fees & Expenses

This section outlines the fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole. You should read all of the information about fees and other costs because it is important to understand their impact on your investment.

The forecast returns contained within this information memorandum are the result after the estimated fees and expenses have been remitted.



6.1. Fees

TYPE OF FEE	AMOUNT (Incl. GST)	HOW & WHEN PAID
<p>Contribution Fee</p> <p><i>This is the fee charged by the Trustee for the establishment of the trust and the purchasing entity, structuring the overall investment and raising capital by way of issue of Units.</i></p>	<p>1.1% of your investment amount in the Fund</p>	<p>Payable upon acceptance of your investment by the Trustee.</p>
<p>Due Diligence Cost Reimbursement</p> <p><i>This fee is a reimbursement of costs associated with the identification and analysis of the Property, development of the feasibility, managing the due diligence process and negotiating the acquisition.</i></p>	<p>Fixed total amount of \$90,200</p>	<p>Payable upon the successful raising of the Minimum Subscription Amount.</p>
<p>Management Fee</p> <p><i>This is the fee charged by the Trustee for the general administration, operation and management of the Fund.</i></p>	<p>1.65% p.a. of the Gross Asset Value of the Fund</p>	<p>Payable monthly in arrears directly from the Fund's assets.</p>
<p>Fund costs and expenses</p> <p><i>These are the costs and expenses of operating the Fund.</i></p>	<p>Costs and expenses estimated at 0.5% p.a. of the Gross Asset Value of the Fund</p>	<p>Payable directly from the Fund's assets as and when they are incurred.</p>
<p>Performance Fee</p> <p><i>This is the fee is payable to the Trustee as an incentive to outperform a benchmark rate of return.</i></p>	<p>20% of project profit provided equity investors receive an internal rate of return (IRR) of 15% or more</p>	<p>Payable directly from the Fund's assets as set out in Section 6.2.</p>

6.2. Explanation of fees and expenses

Fund Manager's fees

The Fund Manager's fees will be paid out of the Trustee's own fee entitlements. There will not be an additional charge to the Fund for the Fund Manager's services, unless the Fund Manager undertakes additional work that would have been performed by another agent of the Fund.

Any remuneration for additional work will be determined at the relevant time of appointment and will be at normal commercial rates and on arm's length terms.

Costs and expenses

The Fund will incur ongoing administration costs which may include accounting fees, audit costs, registry fees, custodial fees, tax and legal advice fees, investor reporting costs and bank charges. These costs are estimated to be 0.5% per annum of the GAV. This amount is an estimate only and actual costs may be more or less than this amount.

The Trustee is entitled, under the Trust Deed, to be reimbursed for all costs and expenses (which include the ongoing administration costs and abnormal expenses referred to above) that it may incur in the proper performance of its duties under the Trust Deed.

These costs and expenses include (but are not limited to) costs, disbursements and expenses associated with:

- the establishment and termination of the Fund and amending or replacing the Trust Deed;
- the production and circulation of this IM or other disclosure document and marketing and the promotion of the Fund;
- Fund assets and income;
- borrowing money;
- convening and holding meetings of Unitholders and implementing resolutions passed at the meetings;
- registry and accounting services, Fund tax returns, confirmation advices, notices, reports and other documents;
- managing tax obligations and the accounting and audit of the Fund;
- complying with any law or request, policy or requirement of ASIC or any regulatory authority; and
- any professional services provider, agent or delegate of the Trustee (including associates).



Performance Fees

This back-ended fee aligns the interests of the Fund Manager with the interest of the equity investors, by providing a financial incentive to outperform a benchmark rate of return.

On this project, the Fund Manager will be entitled to a performance fee of 20% of the total project profit provided equity investors receive an internal rate of return of 15% or more.

Professional services fee

The Trustee may seek professional services for the Fund from qualified providers, including related parties. The fees for these services will be charged at normal commercial rates to the Fund. The Fund Manager may arrange the provision of these services.

As disclosed above, the Trustee has appointed VentureCrowd as the Fund Manager, VentureCrowd Property Australia as the Development Manager and VentureCrowd Sales as the Sales Manager in respect of the Project, all related parties. The fees payable to these entities are in line with market rates and are fully disclosed in the feasibility.



7. Taxation

The summary Australian taxation information contained in this document is a general guide to the Australian taxation implications applicable to the Fund for Australian resident investors who hold their units in the Fund.

The summary reflects the income tax legislation in force, and the interpretation of the Australian Taxation Office and the courts of this legislation, as at the date of issue of this document. However, Australian tax laws are subject to continual change and the summary should not be relied upon as a complete statement of all the potential tax considerations which may arise upon investing in the Fund.

As the tax treatment applicable to particular investors may differ, we strongly recommend that investors seek advice from a suitably qualified adviser as to the taxation implications of their proposed investment in the Fund.

7.1. Taxation status of Trust

The Trust is an Australian resident trust for Australian tax purposes. Broadly, the Trust will be a public trading trust under Division 6C of Part III of the Income Tax Assessment Act 1936 unless:

1. The Trust is closely held (which requires that 20 Investors or less hold, in aggregate, 75% or more of the rights to income or capital of the Trust);
2. Tax exempt entities, complying superannuation funds, complying approved deposit funds or pooled superannuation trusts hold less than 20% of the rights to income or capital of the Trust (the “20% tracing rule”). Where such entities are entitled to a refund of franking credits, they are otherwise disregarded for the purposes of the 20% tracing rule; and
3. The Trust does not control and is not able to control, directly or indirectly, the affairs or operations of another person in respect of the carrying on by that other person of a trading business.

The “public trading trust” status of a trust is required to be determined annually. The activities of the Trust will relate primarily to the development and subsequent sale of property to unrelated parties. As these activities would constitute a “trading business”, the Trustee believes that the Trust should be regarded as a public trading trust.

If the Trust is a public trading trust:

1. The Trust would cease to be a flow through vehicle for tax purposes;
2. The Trust would be liable to pay tax at the corporate taxation rate (currently 27.5% for certain small business entities and 30% for all other entities) on taxable income;
3. Distributions to investors would be frankable and taxed as dividends in the hands of the investors; and
4. Franked distributions received by the Trust can retain their character and passed on to investors as franked dividends.

7.2. Goods and Services Tax (GST)

The Fund is registered for GST. The issue or redemption of Units in the Fund and where applicable the receipt of any distributions are not subject to GST.

The Fund may be required to pay GST included in certain fees, charges, costs and expenses incurred by the Fund. However, to the extent permissible, the Trustee and/or the Fund manager will claim on behalf of the Fund a proportion of this GST as a reduced input tax credit.

Unitholders should seek professional advice with respect to the GST consequences arising from their investment in the Fund.

7.3. Tax File Number (TFN) / Australian Business Number (ABN)

Australian investors may notify us of their TFN, ABN (provided they are investing in the course of conducting an enterprise) or their exemption status. In the event that we are not notified of the details, tax may be deducted from gross payments including distributions of income at the highest marginal tax rate, including the Medicare Levy, until such time as the relevant TFN, ABN or exemption is provided. The collection, use and disclosure of your TFN will be in accordance with the tax laws and the Privacy Act.

The investor may be able to claim a credit in the investor's tax return for any TFN/ABN tax withheld. By quoting their TFN or ABN, the investor authorises the Funds Manager to apply it in respect of all the investor's investments with the Funds Manager. If the investor does not want to quote their TFN or ABN for some investments, the Funds Manager should be advised.

7.4. Withholding tax

Non-resident investors (if any) may have tax deducted from each distribution comprising of Australian sourced income at the relevant withholding tax rates.

7.5. Tax reform

The comments noted above are based on the taxation legislation and administrative practice as at the issue date of this Information Memorandum. However, it should be noted that the Australian tax system is in a continuing state of reform, and based on the Government's reform agenda, reform is likely to escalate rather than diminish. Any reform of a tax system creates uncertainty, whether it be uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process.

It will be necessary to monitor the progress of the reforms, and it is strongly recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

8. Additional Information

8.1. How to Participate

To invest in this opportunity, simply visit our website - www.venturecrowd.com.au - and click on the relevant deal. There are no paper forms to fill out or documents to sign and scan. Our simple application process allows you to register an account and make your investment quickly and easily online.

If you would prefer to speak to one of our team members about this offer, please:

- email us at hello@venturecrowd.com.au or
- call us on 1300 039 655

Please note, the Fund Manager reserves the right to vary or cancel the Offer at any time, vary the amount raised under the Offer, vary or waive the Minimum Investment and close the Offer, without notice and without giving reasons.

8.2. Reporting

Once your investment has been accepted, you will be able to view and monitor your investment on your personal investor dashboard via the VentureCrowd website from anywhere at any time.

Your dashboard will include:

- your Unit certificate
- a copy of this Information Memorandum
- a copy of the Constitution
- distribution statements
- tax statements
- progress reports on the project issued to Unitholders by the Fund Manager

Distribution statements will be provided to Unitholders following each annual distribution.

8.3. Privacy

The Fund Manager and its related parties value investor privacy and are committed to protecting your personal information. We will only collect information that is required for the purpose of performing its functions in respect of the Fund.



By making an investment in the Fund, you agree to us collecting, holding and using information about you to process your application, and to administer and manage our obligations to you. You need not give us any personal information requested in our application process or in any other communication relating to the Fund. However, without this information, we may not be able to process your application or properly carry out our obligations to you under the Trust Deed.

We may disclose your personal information if, acting in good faith, we believe that the law requires or permits us to do so, or if you consent. We may also use your personal information to offer other investment opportunities that may be of interest to you unless you request us not to do so.

Under the Privacy Act 1988 (Cth), you may request access to your personal information that we hold.

8.4. Termination of the Fund

The Fund terminates on the earliest of:

- A. the date that is one calendar month after the date on which all assets have been either realised in cash or written off in the accounts of the Fund;
- B. the 80th anniversary of the day before the Fund commenced; and
- C. date on which the Fund terminates in accordance with a provision of the Trust Deed or by law.



Glossary

AFSL	Australian Financial Services Licence
ASIC	Australian Securities & Investments Commission
Development Manager	VentureCrowd Property Australia Pty Ltd (ACN 159 744 386)
Distribution Period	has the meaning given in the Trust Deed
Fund	VentureCrowd Trust No. 519 Park Ridge Road Development Pty Ltd
Fund Manager	VentureCrowd Pty Ltd (ACN 166 598 849)
Gross Asset Value (GAV)	the sum of the value of the Fund's assets
Homecorp	Homecorp Constructions Pty Ltd (ACN 169 928 205)
Project	the project described in Section 1
Property	396-404 Park Ridge Road, Park Ridge, Queensland
Trust	VentureCrowd Trust No. No. 519 Park Ridge Road Development Pty Ltd
Trust Deed	the trust deed in respect of the Trust
Trustee	VentureCrowd Nominees Pty Ltd (ACN 166 599 140)
Unit	a unit in the Trust
Unitholder	the holder of a Unit in the Trust
VentureCrowd	VentureCrowd Pty Ltd (ACN 166 598 849)
VentureCrowd Property	VentureCrowd Property Australia Pty Ltd (ACN 159 744 386)
VentureCrowd Sales	VentureCrowd Sales Pty Ltd (ACN 623 873 361)

