



## Information Memorandum

or the issue of Preference Units by Sankofa Funds Management Pty Ltd as Property Fund

# Information Memorandum

## Sankofa Property Fund

for the issue of Preference Units by Sankofa Funds Management Pty Ltd as trustee of the Sankofa Property Fund

Sankofa Funds Management Pty Ltd

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May 2015

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## Important Information

This Information Memorandum has been prepared by Sankofa Funds Management Pty Ltd as trustee of the Sankofa Property Fund (Sankofa, us, we, our and Manager) and contains an offer (the Offer) to invest in Preference Units in the Sankofa Property Fund (the Fund).

The Offer is made only to wholesale clients as defined by section 761G(4) of the Corporations Act 2001 (Cth). By submitting an Application, you represent and warrant and undertake to ensure to us that you are a wholesale client as defined by section 761G(4) of the Corporations Act 2001 (Cth). You will complete and submit to us the Wholesale Client Statement.

This Information Memorandum is not a product disclosure statement for the purposes of the Corporations Act 2001 (Cth). This Information Memorandum does not contain the information which would be required to be included in a product disclosure statement if the Offer is made to retail clients as defined in section 761G of the Corporations Act 2001 (Cth). The Fund is an unregistered managed investment scheme under the Corporations Act 2001 (Cth). The Information Memorandum and Constitution have not been, and will not be, lodged or registered with the Australian Securities and Investments Commission.

Investment in the Fund is subject to investment risk. This means that none of Sankofa or any of their related entities, officers or employees (collectively the Fund Providers) guarantee the repayment of capital, the payment or timeliness of income or the performance of the Fund.

None of the Fund Providers:

- make any recommendation regarding the Offer; or
- are authorised to give any information or make any representation concerning the Offer which is not contained in the Information Memorandum, so that any information or representation not referred to in this Information Memorandum may not be relied upon.

You should review this Information Memorandum in full before deciding to invest in the Fund. Information in this Information Memorandum is general information. This Information Memorandum has been prepared without taking into account your objectives, financial situation or needs. You should consider the Offer having regard to your objectives, financial situation and needs, and should consult with professional advisers before participating in the Offer.

There is no cooling off period in relation to any Application. Once an Application is accepted by us, it may not be withdrawn.

The Offer is available to persons receiving the Information Memorandum in paper or electronic format within Australia. No offer or invitation is made by this Information Memorandum, directly or indirectly in any jurisdiction where the offer or invitation would breach the applicable laws or require the Information Memorandum or any other document to be lodged or registered.

The information in this Information Memorandum may change from time to time. We will update this information by publishing changes on our website at [www.sankofafund.com.au](http://www.sankofafund.com.au).

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## 1. Features at a glance

About the Fund and Investment into the Fund	
Type of Fund	Wholesale unregistered managed investment scheme
Trustee of Fund	Sankofa Funds Management Pty Ltd
Custodian of Fund	One Managed Investment Funds Limited
Fund Investment Objectives	To generate returns from a portfolio of assets being property development projects located in Australia or loans secured by mortgages (first or second ranking) over property located in Australia.
Investment in the Fund	<p>The beneficial interest in the Fund will be divided into Units, being Ordinary Units and Preference Units.</p> <p><b>The Offer in this Information Memorandum is to invest in Preference Units.</b></p> <p>Each Preference Unit ranks senior to the Ordinary Units in respect of distributions. On a Distribution Date, Distributable Income must be applied to pay Distributions for that Distribution Date and cumulated Unpaid Distributions in relation to Preference Units, before they are applied to pay distributions in relation to Ordinary Units for that Distribution Date.</p> <p>Each Preference Unit ranks senior to the Ordinary Units in respect of payments in a winding up or termination of the Fund. In the winding up or termination of the Fund, proceeds must be applied to pay the Liquidation Amount, before they are applied to make distributions in relation to the Ordinary Units.</p> <p>Each Preference Unit will have an issue price of \$1.00 and will be issued with a face value of \$1.00 ("Face Value"). Each Preference Unit must be paid for in full on application.</p>
Who can invest?	Wholesale client (as defined by section 761G(4) of the Corporations Act 2001 (Cth)). Potential investors will need to complete and submit to Sankofa Funds Management Pty Ltd the Wholesale Client Statement.
Minimum Subscription Amount	Nil, other than in respect of a potential investor who represents and indicates on the Wholesale Client Statement that it satisfies the Price or Value Test whose minimum subscription amount is AUD\$500,000 (exclusive of the Establishment Fee).
Distributions – Preference Units	<p><b>Distributions</b></p> <p>Each Preference Unit entitles the Unit Holder on a Record Date to receive on the relevant Distribution Date a distribution of the Distributable Income for the Distribution Period ending on that Distribution Date ("Distribution") calculated according to the following formula:</p> $\text{Distribution} = \frac{\text{Distribution Rate} \times D}{365}$ <p>where:</p>

Distribution Rate means:

(a) subject to (b), 7% per annum; or

(b) in the case that the subscription moneys for the relevant Preference Unit are received in full by the Manager within 1 month from the date of the Information Memorandum (as determined by the Manager), 8% per annum.

D means in respect of:

(a) the first Distribution Date, the number of days from (and including) the Issue Date to (and including) the first Distribution Date; and

(b) each subsequent Distribution Date, the number of days from (but excluding) the preceding Distribution Date to (and including) that Distribution Date.

#### **Distribution Payment Dates**

The Distribution Dates are:

(a) each 31 March, 30 June, 30 September and 31 December until the date on which the Preference Unit is redeemed in accordance with the Preference Unit Terms (but does not include that date); and

(b) the date on which the Preference Unit is redeemed in accordance with these Preference Unit Terms,

(each a "Distribution Date").

If a Distribution Date is a day which is not a Business Day, then that day remains the Distribution Date and the Distribution scheduled to be paid on that day will be paid on the next day which is a Business Day without any adjustment of the amount of the Distribution or any other payment in respect of the delay in payment.

#### **Condition to payment of Distributions**

The payment of a Distribution on a Distribution Date is subject to the Fund having sufficient Distributable Income (after paying or providing for all liabilities of the Fund) during the relevant Distribution Period.

#### **Distributions are cumulative**

Distributions are cumulative. If all or any part of a Distribution is not paid (an "Unpaid Distribution") on the relevant Distribution Date because of the restriction set out above, the Unpaid Distribution cumulates and is payable on the next Distribution Date on which the Fund has sufficient Distributable Income as determined by the Manager. However, no interest accrues on any Unpaid Distribution and no Unit Holder has any claim or entitlement in respect of interest on any Unpaid Distribution.

<b>Redemptions – Preference Units</b>	<p><b>Within the initial 2 year period</b></p> <p>A Unit Holder of a Preference Unit may request (but not require) the Manager to redeem the Preference Unit on any date to (but excluding) the date which is 2 years from the Issue Date of the Preference Unit, at the redemption price of \$0.97 per Preference Unit (the “Lockup Period Redemption Price”), by giving to the Manager no less than 120 days’ prior written notice to the Manager (in a form and manner satisfactory to the Manager). Such notice is irrevocable by the Unit Holder. Upon the Manager receiving the notice, the Manager may (in its absolute discretion) accept or reject such request. If the Manager rejects the request, no redemption will occur. If the Manager accepts the request, on the relevant date specified in the notice:</p> <p>(a) the Manager will pay to the Unit Holder the Lockup Period Redemption Price, together with any Distribution until the date of redemption (including any cumulated but Unpaid Distribution); and</p> <p>(b) the Preference Unit will be redeemed and cancelled.</p> <p><b>After initial 2 year period - Unit Holders’ Option to Redeem</b></p> <p>A Unit Holder of a Preference Unit may require the Manager to redeem the Preference Unit on any date from (and including) the date which is 2 years from the Issue Date of the Preference Unit, at the redemption price of \$1.00 per Preference Unit (the “Full Redemption Price”), by giving to the Manager no less than 90 days’ prior written notice to the Manager (in a form and manner satisfactory to the Manager). Such notice is irrevocable by the Unit Holder. Upon the Manager receiving the notice, on the relevant date specified in the notice:</p> <p>(a) the Manager will pay to the Unit Holder the Full Redemption Price , together with any Distribution until the date of redemption (including any cumulated but Unpaid Distribution); and</p> <p>(b) the Preference Unit will be redeemed and cancelled.</p>
<b>Termination/ Winding Up</b>	<p>The Fund will terminate on the earlier of:</p> <p>a) the day immediately preceding the 80th anniversary of the Commencement Date; or</p> <p>b) the date on which the Fund terminates under the Constitution or by order of a court or by law.</p> <p>Under the Constitution, the Manager may (in its absolute discretion) terminate the Fund at any time by notice to Unit Holders on the date specified in the notice as the termination date. In addition, without limitation, If if the office of Manager becomes vacant and is not filled within 3 months, the Fund will be deemed to be terminated.</p>

	<p>On termination of the Fund, the Manager must realise the Assets as soon as is reasonably practical. The Manager will distribute the proceeds to the Unit Holders after discharging or providing for all liabilities and meeting all expenses, including anticipated expenses and amounts payable to the Manager as referred to in section 6.</p> <p>In the winding up or termination of the Fund, a Unit Holder of a Preference Unit is entitled, subject to the terms of the Constitution, to claim for payment in cash of an amount equal to the Liquidation Amount, but no further or other right to participate in the assets of the Fund.</p> <p>Each Preference Unit ranks senior to the Ordinary Units in respect of payments in a winding up or termination of the Fund. In the winding up or termination of the Fund, proceeds must be applied to pay the Liquidation Amount, before they are applied to make distributions in relation to the Ordinary Units.</p>
<b>Management Fee</b>	2% per annum of the Gross Asset Value of the Fund.
<b>Establishment Fee</b>	On the issue of Units there is an Establishment Fee of 1% of the Application Moneys.
<b>Risks</b>	Investments involve a certain amount of risk. Information about some of the risks associated with this investment is set out below under “Risks of investing”.

## 2. The Sankofa Property Fund

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Sankofa has extensive knowledge of the Australian property market, enabling it to seek out high quality assets for its Investors.

The Fund is a wholesale managed investment scheme. Your investment is pooled with other people's investments. We use this pool to invest in assets and manage them on behalf of all of the Investors in the Fund.

We will invest in specially selected property development projects in Australia and/or in loans secured by mortgages (first or second ranking) over property located in Australia.

Investing in property development projects and/or loans secured by mortgages (first or second ranking) over property located in Australia, and funds which invest in such assets, should be considered an illiquid investment. As a result, a return of capital to Investors is only likely to be possible when the Fund realises its investments in the assets (which may not occur until completion of a development project or repayment of the loan) and provided that such proceeds are sufficient to provide a return to Investors.

### Changes to the Fund

We may add to, or close, the Fund, change the rules and terms and conditions that govern the Fund, as set out in the Constitution and this Information Memorandum. We have the right to add, divest or otherwise change an asset as a Fund investment.

### Manager goals

The Manager aims to:

1. give investors the best return-on-investment possible;
2. invest in high quality projects;
3. maintain strong stakeholder satisfaction;
4. maintain a positive reputation; and
5. maintain strong area presence where projects are based.

### Advantages of investing in the Preference Units

1. **Option to redeem after 2 years.** A Unit Holder of a Preference Unit may require the Manager to redeem the Preference Unit on any date from (and including) the date which is 2 years from the Issue Date of the Preference Unit, at the redemption price of \$1.00 per Preference Unit, by giving to the Manager no less than 90 days' prior written notice to the Manager (as detailed in Section 5).
2. **Strong fixed returns.** Distributions of the Preference Units are fixed at 7% per annum or 8% per annum (as detailed in Section 5)
3. **Seniority.** Preference Units rank senior to the Ordinary Units in respect of distributions and in respect of payments in a winding up or termination of the Fund (as detailed in Section 5).

### 3. Key parties

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#### Manager

Sankofa Funds Management Pty Ltd is the Manager of the Fund. We are a special purpose funds management company.

Sankofa's management team is made up of a group of experts with international experience.

Most of our team members have achieved remarkable performance in their former key positions in reputed Australian and Chinese finance institutions. The team has presided over a number of successful investment projects onshore and offshore, supported by our consolidated background in planning and operating, broad social networks and extensive sources of capital.

#### President of Sankofa

##### Mr Gang (Winston) Bai

Mr Bai has over 25 years' experience in property and financial investment as well as company management.

Throughout his career, Mr Bai has operated billions of dollars' worth of projects in real estate and financial investments. Mr Bai has also participated in several successful offshore listings of Chinese enterprises over these years.

#### Managing Director of Sankofa

##### Mr Rui (George) Gao

Mr Gao has 20 years' experience in securities and fund management, which includes an employment history with the asset management department of the CITIC Group. He also held roles with CHANGSHENG Funds, HUAXIA Funds and RONGTONG Funds, and with KVB Kunlun Pty Ltd (holder of Australian financial services licence no. 226602).

Mr Gao holds the following professional qualifications:

- chartered accountant; and
- registered securities analyst.

#### Responsible Managers of Sankofa

##### Mr Tim McGowen

Mr McGowen has been a financial services executive for 25 years with a background in investment banking and funds management. He has established and managed an award winning Australian hedge fund (Australian Hedge Fund of the Year 2008, 2009) that produced a 12% return during the global financial crisis.

More recently he was responsible for the establishment of a global equity income strategy within PM Capital and the outsourcing of Responsible Entity status to Zurich Investments.

Mr McGowen has an established network of industry contacts covering media, financial advice, funds management and family offices. He has presented on TV, radio and at industry conferences, and is a respected expert on risk management.

#### **Mr Yuansheng (Mike) Gu**

Mr Gu has accumulated more than 20 years of experience in real estate and risk management (including with the Agriculture Bank of China). He has had success in operating a number of residential and commercial real estate projects, and is also very familiar with real estate development and sales processes in Sydney.

In 2014, he operated and sold out four development projects in Sydney, amounting to more than two hundred and fifty related units.

#### **Mr Mark Luo**

Mr Luo has been devoting himself to the local mortgage industry since 2000. Mr Luo has held management roles with a number of mortgage lenders, such as AIMS Home Loans and MCM Home Loans.

### **Custodian**

One Managed Investment Funds Limited is the custodian of the assets. One Managed Investment Funds Limited holds the assets of the Fund.

As a leading custodian in Australia, the Custodian has considerable experience in providing custody services.

The Custodian holds assets of the Fund on trust, ensuring they are properly segregated from the assets of other trusts. The Custodian holds title to the assets of the Fund.

## 4. Risks of investing

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It is important to understand the risks of this investment before deciding to invest.

Risks of this investment include the following:

### *Investment Risks and Asset Risks*

- The repayment of capital or the payment of any return is not guaranteed. An investment in the Fund should not be considered a short term investment.
- The Manager may not achieve its performance objectives or may not produce returns that are competitive in the market place.
- The value of Units will vary in line with movement in the value of the Fund's assets.
- Changes in the price of assets held by the Fund may result in a loss to the Fund.

Numerous factors drive the price of the Fund's assets (being property and/or loans), including economic conditions, investor demand, business confidence, movements in interest rates, local and international political events, environmental issues, industrial disputes, contractual breaches of relevant contracts and government, disasters, rental market, and laws and government and central bank policies and regulations.

- Fund assets may be difficult to purchase or sell. If Fund assets are difficult to purchase or sell, this can prevent sale of an asset in a timely fashion and at a fair price. Unforeseen circumstances or changing market conditions may result in the sale price of some or all of the properties being lower than the cost price. If the Fund is required to liquidate assets to settle redemptions, there is a risk that liquidation may be made on unfavourable terms, subjecting the Fund to loss.

- There is the risk of poor asset selection or changing market conditions potentially causing loss to Investors and the Fund.

- There is the risk that the Fund's Units are unable to be priced within an acceptable time frame. If one or more of the Fund's assets cannot be valued or are priced incorrectly, the Units may in turn be unable to be priced or priced incorrectly.

- Where the asset is a property development project, there is risk of the development costing more than anticipated or not creating the value anticipated.

- Where the asset is a property development project, there is a risk that any capital expenditure required on a property could exceed cost expectations.

- Disasters such as fires, earthquakes and floods, social unrest, industrial disputes, acts of terrorism or war in Australia or overseas could affect the Fund's property portfolio. Any associated damage, costs or losses may not be covered by insurance and be at the Fund's expense.

- Where the asset is a loan, there is a risk that the counterparty borrower may default under the loan. The Fund will be the holder of the security interest created by a mortgage and can enforce that mortgage. However, there is the risk that the proceeds of enforcement of the mortgage may not be sufficient to cover the amounts owing to the Fund under the loan.

- Where the asset as a loan, the borrower entity under the loan may borrow (other than under the loan with Sankofa as lender). A borrower entity will typically use financing facilities with periodic maturity dates, which require re-financing at regular intervals. In times of poor market conditions, a borrower entity may find it difficult to re-finance. The value of the Fund's loan will be negatively impacted if the borrower entity is unable to re-finance or if it can only re-finance on unfavourable terms.

- Where the asset is a loan and the mortgage of the Fund is a second ranking mortgage, the Fund will be subordinated to the lenders and other creditors under the first ranking mortgage. The rights of the Fund will be subject to and subordinated to the rights of the lenders and other creditors under the first ranking mortgage (and the related legal documentation – eg the loan or facility documentation, any other security interest for the benefit of those creditors, any deed of subordination and any deed of priority). Amongst other things, pre-enforcement, the counterparty borrower will be required to first repay lenders under the first ranking mortgage before repaying the Fund (and payment of any interest on the Fund's loan may also be restricted). On enforcement, the lenders and other creditors under the first ranking mortgage will control enforcement, and proceeds of enforcement will be applied first towards all amounts owing to them, before any amounts owing to the Fund may be paid. The rights of the Fund in respect of the counterparty borrower and the

mortgaged property will be subject to and subordinated to the rights of the lenders and other creditors under the first ranking mortgage and the related legal documentation. There are risks that the interest and the principal on the loan of the Fund may not be paid or repaid by the counterparty borrower and that amounts recovered from the second mortgage will be very limited.

#### *Fund Risks*

- The Fund will only hold interests in real property development projects and/or loans secured by mortgages (first or second ranking) over property located in Australia. Therefore, Investors do not receive the benefits of investment and asset class diversification.
- The investment in Preference Units could potentially not keep up with the pace of inflation. Broadly, this means prices may increase by more than the value of the investment in Preference Units.
- Fund investments may be difficult to purchase or sell and may affect Investors' ability to sell or redeem Units.
- The performance of the Fund may be affected by litigation involving the Fund or the Manager.
- There is a risk that counterparties with the Fund (or Fund associates), including borrowers, vendors, purchasers, tenants, agents, builders and other sub-contractors, do not perform their contractual obligations owed to the Fund (or Fund associates). The failure of the counterparties to perform may detrimentally impact the performance of the Fund or affect the value of Units.
- There is a risk that the Manager or the Custodian may become insolvent or unable to perform their obligations.
- The Manager may retire in accordance with the Constitution. Key personnel from the Manager may leave, be incapacitated or otherwise cause a disruption to the business and a detrimental impact on the performance of the Fund.
- There may be changes of law or taxation applying to or in connection with the Fund, assets of the Fund or Units in the Fund.

#### *Investor risks*

- An Investor may require their funds on short notice – however distributions may not be made and redemption may not be available at that relevant time.
- Assets, distributions and redemptions of the Fund are denominated in Australian dollars. Currency risk arises from the change in price of one currency against another. The conversion of currency may impact your profit or loss in another currency.
- Tax law is constantly evolving and being amended. Changes to taxation legislation during an Investor's investment period may impact adversely on an investment in the Fund. Investors should obtain their own professional taxation advice.

The appropriate level of risk for each Investor will depend on their age, investment time frame, where other parts of their wealth are invested and how comfortable the Investor is with the possibility of losing some of their money in some years. When making an investment, the Investor is accepting the risks of that investment.

Investors should seek their own professional advice on the appropriateness of this investment for their particular circumstances and financial objectives.

## 5. How the Fund operates

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### Units

The beneficial interest in the Fund will be divided into Units, being Ordinary Units and Preference Units.

Australia Oracle Development Pty Ltd (ACN 602 204 624) will be the holder of Ordinary Units. Australia Oracle Development Pty Ltd will subscribe for and be the holder of Ordinary Units which have an aggregate issue price being no less than 25% of the aggregate issue price of the Preference Units issued.

The Offer in this Information Memorandum is to invest in Preference Units.

Each Preference Unit ranks senior to the Ordinary Units in respect of distributions and in respect of payments in a winding up or termination of the Fund - as set out below.

### Preference Units

Each Preference Unit ranks senior to the Ordinary Units in respect of distributions. On a Distribution Date, Distributable Income must be applied to pay Distributions for that Distribution Date and cumulated Unpaid Distributions in relation to Preference Units, before they are applied to pay distributions in relation to Ordinary Units for that Distribution Date.

Each Preference Unit ranks senior to the Ordinary Units in respect of payments in a winding up or termination of the Fund. In the winding up or termination of the Fund, proceeds must be applied to pay the Liquidation Amount, before they are applied to make distributions in relation to the Ordinary Units.

Each Preference Unit will have an issue price of \$1.00 and will be issued with a face value of \$1.00 ("Face Value"). Each Preference Unit must be paid for in full on application.

The Manager may accept or reject your Application for Preference Units in its absolute discretion. Upon acceptance of your Application, your investment in the Fund will be represented by Preference Units.

A Preference Unit does not give you an interest in any specific Fund asset. We keep a record of the number of Preference Units you hold – the number of which is calculated in accordance with the issue price. No certificates will be issued for any Preference Unit.

### Distributions

#### Distributions

Each Preference Unit entitles the Unit Holder on a Record Date to receive on the relevant Distribution Date a distribution of the Distributable Income for the Distribution Period ending on that Distribution Date ("Distribution") calculated according to the following formula:

$$\text{Distribution} = \frac{\text{Distribution Rate} \times D}{365}$$

where:

Distribution Rate means:

(a) subject to (b), 7% per annum; or

(b) in the case that the subscription moneys for the relevant Preference Unit are received in full by the Manager within 1 month from the date of the Information Memorandum (as determined by the Manager), 8% per annum.

D means in respect of:

(a) the first Distribution Date, the number of days from (and including) the Issue Date to (and including) the first Distribution Date; and

(b) each subsequent Distribution Date, the number of days from (but excluding) the preceding Distribution Date to (and including) that Distribution Date.

### **Distribution Payment Dates**

The Distribution Dates are:

(a) each 31 March, 30 June, 30 September and 31 December until the date on which the Preference Unit is redeemed in accordance with the Preference Unit Terms (but does not include that date); and

(b) the date on which the Preference Unit is redeemed in accordance with these Preference Unit Terms,

(each a "Distribution Date").

If a Distribution Date is a day which is not a Business Day, then that day remains the Distribution Date and the Distribution scheduled to be paid on that day will be paid on the next day which is a Business Day without any adjustment of the amount of the Distribution or any other payment in respect of the delay in payment.

### **Condition to payment of Distributions**

The payment of a Distribution on a Distribution Date is subject to the Fund having sufficient Distributable Income (after paying or providing for all liabilities of the Fund) during the relevant Distribution Period.

### **Distributions are cumulative**

Distributions are cumulative. If all or any part of a Distribution is not paid (an "Unpaid Distribution") on the relevant Distribution Date because of the restriction set out above, the Unpaid Distribution cumulates and is payable on the next Distribution Date on which the Fund has sufficient Distributable Income as determined by the Manager. However, no interest accrues on any Unpaid Distribution and no Unit Holder has any claim or entitlement in respect of interest on any Unpaid Distribution.

## Redemptions

### Within the initial 2 year period

A Unit Holder of a Preference Unit may request (but not require) the Manager to redeem the Preference Unit on any date to (but excluding) the date which is 2 years from the Issue Date of the Preference Unit, at the redemption price of \$0.97 per Preference Unit (the “Lockup Period Redemption Price”), by giving to the Manager no less than 120 days’ prior written notice to the Manager (in a form and manner satisfactory to the Manager). Such notice is irrevocable by the Unit Holder. Upon the Manager receiving the notice, the Manager may (in its absolute discretion) accept or reject such request. If the Manager rejects the request, no redemption will occur. If the Manager accepts the request, on the relevant date specified in the notice:

- (a) the Manager will pay to the Unit Holder the Lockup Period Redemption Price , together with any Distribution until the date of redemption (including any cumulated but Unpaid Distribution); and
- (b) the Preference Unit will be redeemed and cancelled.

### After initial 2 year period - Unit Holders’ Option to Redeem

A Unit Holder of a Preference Unit may require the Manager to redeem the Preference Unit on any date from (and including) the date which is 2 years from the Issue Date of the Preference Unit, at the redemption price of \$1.00 per Preference Unit (the “Full Redemption Price”), by giving to the Manager no less than 90 days’ prior written notice to the Manager (in a form and manner satisfactory to the Manager). Such notice is irrevocable by the Unit Holder. Upon the Manager receiving the notice, on the relevant date specified in the notice:

- (a) the Manager will pay to the Unit Holder the Full Redemption Price , together with any Distribution until the date of redemption (including any cumulated but Unpaid Distribution); and
- (b) the Preference Unit will be redeemed and cancelled.

## Winding up

Termination of the Fund may occur as set out in section 7. Among other things, the Manager may (in its absolute discretion) terminate the Fund at any time by notice to Unit Holders on the date specified in the notice as the termination date.

On termination of the Fund, the Manager must realise the Assets as soon as is reasonably practical. The Manager will distribute the proceeds to the Unit Holders after discharging or providing for all liabilities and meeting all expenses, including anticipated expenses and amounts payable to the Manager as referred to in section 6.

In the winding up or termination of the Fund, a Unit Holder of a Preference Unit is entitled, subject to the terms of the Constitution, to claim for payment in cash of an amount equal to the Liquidation Amount, but no further or other right to participate in the assets of the Fund.

Each Preference Unit ranks senior to the Ordinary Units in respect of payments in a winding up or termination of the Fund. In the winding up or termination of the Fund, proceeds must be applied to pay the Liquidation Amount, before they are applied to make distributions in relation to the Ordinary Units.

## **Payments**

### **Calculation of Payments**

All calculations of payments will be rounded up or down to the second decimal place of a cent or as otherwise determined by the Manager. For the purposes of making any payment in respect of a Unit Holder's aggregate holding of Preference Units, any fraction of a cent will be disregarded

### **Deductions**

The Manager may deduct from any payment payable to a Unit Holder the amount of any withholding or other tax, duty or levy required by law to be deducted in respect of such payment

If any reduction is required, the Manager must pay the full amount required to be deducted to the relevant revenue authority within the time allowed for such payment without incurring penalty under the applicable law. If:

- i. a deduction is made; and
- ii. the amount of the deduction is accounted for by the Manager to the relevant revenue authority; and
- iii. the balance of the amount payable has been paid to the Unit Holder,

then the Manager's obligation to make the payment to the Unit Holder is taken to have been satisfied in full by the Manager.

## 6. Fees and Costs

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### **Establishment Fee**

The Manager will be paid an Establishment Fee of 1% of the Application Moneys, exclusive of taxes.

### **Management Fee**

The Manager will be paid out of the assets of the Fund a fee of 2% per annum of the Gross Asset Value of the Fund, exclusive of taxes.

### **Expense Recoveries**

The Manager is entitled to be reimbursed out of the assets of the Fund for expenses and liabilities incurred concerning the Fund or in performing its obligations or exercising its powers as Manager. These include costs relating to custody, compliance, fund administration, printing, audit fees, Unit Holder meetings, defending legal proceedings, special valuation of assets and the termination of the Fund.

## 7. Fund information

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### Constitution

The Fund was established by a Constitution dated May 2015 (the Constitution). The Constitution sets out the legal rights, duties and obligations of the Manager and Investors and includes the following:

- the duties and obligations of the Manager;
- the powers of the Manager;
- fees and expenses;
- Unit issue and redemption procedures;
- convening and conduct of investor meetings;
- the duration and termination of the Fund; and
- Fund distributions.

The Constitution allows for Ordinary Units and Preference Units to be offered to Investors.

This Information Memorandum contains only a summary of some of these provisions and should be seen as a guide. A copy of the Constitution is available from the Manager on request.

### Term of the Fund

The Fund may be terminated in a number of circumstances under its Constitution. The Fund terminates at the earlier of:

- the day immediately preceding the 80th anniversary of the Commencement Date, or
- the date on which the Fund terminates in accordance with the Constitution or by order of a court or by law.

Under the Constitution, the Manager may (in its absolute discretion) terminate the Fund at any time by notice to Unit Holders on the date specified in the notice as the termination date. In addition, without limitation, if the office of Manager becomes vacant and is not filled within 3 months, the Fund will be deemed to be terminated.

### Related party and other interests

The Directors of the Manager or Sankofa may invest from time to time in the Fund and hold Ordinary Units and/or Preference Units. The Directors may also hold shares in Sankofa.

The Fund or Sankofa may use services provided by companies related to the Manager on arm's length terms.

### Rights of Manager

We may accept or decline all or part of an Application without giving any reason.

We will be indemnified out of the Trust Fund when acting in good faith and without gross negligence.

We are not liable to Unit Holders to any greater extent than the extent to which we are indemnified from the Trust Fund when we are acting in good faith except in the case of our own gross negligence and we are not liable to any Unit Holder for any loss or liability incurred in exercising or attempting to exercise any of its duties, powers or obligations for the Fund. In particular, and without limitation, this includes for:

- a) reliance on the authenticity of any document (unless we reasonably believe the document not to be authentic) or on the advice or information provided by any banker, auditor, valuer,

lawyer or other expert instructed by us who are independent and believed by us to be expert on the matters on which they are consulted;

- b) any indemnity granted by us in connection with the Fund;
- c) any act or omission required by law or by the court of any jurisdiction; or
- d) any payment to, or retention of money for, a duly empowered fiscal authority.

We may retire as trustee of the Fund by giving notice to the Unit Holders.

## 8. Taxation information

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You are advised to seek your own professional tax advice before investing in the Fund about the application of Australian tax law and, if appropriate, foreign tax consequences, based on your particular circumstances. The information below is of a general nature and is not, and is not to be relied upon, as tax advice.

### Taxation of the Fund

The Manager will not generally be liable for Australian income tax in relation to the Fund, provided that Investors are presently entitled to all of the distributable income of the Fund in each financial year. The taxation liability for the taxable income of the Fund rests with the Investors.

The Fund may however, be liable for income tax in any year where the requirements to be classed as either a public trading trust or a corporate unit trust are satisfied for that year. The requirements are ongoing, so that the position of the Fund in any year will depend upon the actual operations in that year.

### Taxation based on country of Residence

Australian resident Investors are assessed for tax on any income and capital gains generated by the Fund.

If you are not an Australian resident, withholding tax will normally be deducted from distributions before they are paid to you. The tax rate will depend on the nature of the distribution and the country in which you reside. Capital gains on the disposal of units by non-residents are not generally liable to Australian capital gains tax, subject to certain indirect interests in real property.

Distributions of income reinvested in further units are treated the same way as cash distributions.

Distributions of capital may have tax consequences.

### Goods and Services Tax (GST)

The Goods and Services tax (GST) is not applied to the application for or redemption of units in the Fund. However, it is payable in relation to the Fund management fees and expense costs. The Fund is entitled to claim Reduced Input Tax Credits from the Australian Tax Office for part of these costs.

### Tax File Numbers and Australian Business Numbers

You are not required to quote your Tax File Number (TFN) or, if you have one, your Australian Business Number (ABN). However, if you are an Australian resident for taxation purposes and a TFN or ABN is not provided or an exemption is not claimed, we are required to withhold tax at the highest marginal rate plus the Medicare levy from Fund distributions.

## 9. Privacy

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All personal information collected from you will be used and stored by us in accordance with our privacy policy, a copy of which is available on request.

We collect information for the following reasons:

- to assess and process your Application;
- to establish and maintain the register of Investors;
- to monitor, audit, evaluate and otherwise administer your investment; and
- to communicate with you concerning your investment and transactions relating to your investment.

We may disclose information we hold about you in the following circumstances:

- to companies that provide services on our behalf (for example printing statements which we send to you);
- if the disclosure is required or authorised by law; or
- if you consent to the disclosure.

If there are any changes to your personal details, or you find that information we hold about you is incorrect, please contact us.

## 10. Definitions

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**Application:** an application to participate in the Fund, including the Wholesale Client Statement.

**Application Moneys:** the amount required to be paid, or the value of any cash or other property to be transferred, to the Fund by an applicant, being the Issue Price multiplied by the number of Units sought.

**Asset:** any property, right or income of the Fund.

**Business Day:** any day except Saturday, Sunday or a public or bank holiday in Sydney.

**Commencement Date:** the date on which the Fund commenced under the Constitution.

**Constitution:** the deed under which the Fund was established.

**Distribution:** in relation to a Preference Unit has the meaning given in section 5.

**Distribution Date:** the date determined by the Manager for a Distribution Period. In relation to a Preference Unit, Distribution Date has the meaning referred to in section 5.

**Distributable Income:** the distributable income of the Fund for a Distribution Period determined under clause 10.1.1 of the Constitution.

**Distribution Period:** a period of not more than 12 months as determined by the Manager. Where the termination of the Fund occurs during a Distribution Period, the last Distribution Period will end on the date of termination. The Manager may change the duration or dates of the commencement or end of a Distribution Period. In relation to a Preference Unit, Distribution Period means:

- a) for the first Distribution Period, the period from (and including) the Issue Date to (and including) the first Distribution Date; and
- b) each subsequent period from (but excluding) a Distribution Date to (and including) the next Distribution Date.

**dollars** or a reference to currency means Australian dollars.

**Establishment Fee:** a fee equal to 1% of the Application Moneys.

**Face Value:** in relation to a Preference Unit has the meaning given in section 5.

**Fund:** the Sankofa Property Fund.

**Gross Asset Value of the Fund:** the aggregate of:

- a) the Market Value of all of the assets of the Fund, including cash and amounts owing to the Fund;
- b) any prepaid expenditure;
- c) other increments the Manager determines should be included; and
- d) any capital expenditure or depreciation not included in the Market Value of the assets of the Fund.

**GST:** the tax payable under A New Tax System (Goods and Services Tax) Act 1999 (Cth).

**Investor:** a Unit Holder.

**Issue Date:** the date determined by the Manager on which a Unit is to be issued.

**Issue Price:** for the Preference Units, \$1.00 per Preference Unit.

**Liquidation Amount:** in relation to a Preference Unit means the aggregate of:

- a) the Face Value; and
- b) an amount equal to the unpaid amount (if any) of the Distributions until the date of the commencement of the winding up (including, cumulated but Unpaid Distributions).

**Manager:** Sankofa Funds Management Pty Ltd.

**Market Value:** of an investment or asset means its current market value or other value appropriate to the nature of the property in accordance with generally accepted accounting principles. If the Manager is of the opinion that this does not truly reflect the value of an Asset, then the value last determined by a valuer appointed by the Manager.

**Minimum Subscription Amount:** nil, other than in respect of a potential investor who represents and indicates on the Wholesale Client Statement that it satisfies the Price or Value Test whose minimum subscription amount is AUD\$500,000 (exclusive of the Establishment Fee).

**Net Asset Value of the Fund:** the aggregate of:

- a) the Market Value of all of the assets of the Fund, including cash and amounts owing to the Fund;
- b) any prepaid expenditure;
- c) other increments the Manager determines should be included; and
- d) any capital expenditure not included in the Market Value of the assets of the Fund,

less the liabilities of the Fund and any provision the Manager considers appropriate for the purposes of making a fair and reasonable valuation, including for the costs of acquiring or realising investments or for the depreciation, writing down or replacement of an asset.

**Ordinary Unit:** a Unit having the rights, obligations and restrictions as set out in the Ordinary Unit Terms.

**Ordinary Unit Terms:** the terms of issue of the Ordinary Units as set out in the body of the Constitution and in Schedule 2 to the Constitution.

**Preference Unit:** a Unit having the rights, obligations and restrictions as set out in the Preference Unit Terms.

**Preference Unit Terms:** the terms of issue of the Preference Units as set out in Schedule 1 to the Constitution

**Record Date:** means in respect of a Distribution for a Preference Unit, the date which is 7 calendar days before the Distribution Date for that Distribution.

**Trust Fund:** all Assets held by the Manager on the trusts established by the Constitution.

**Unit:** an interest in the Fund issued in accordance with the Constitution, being an Ordinary Unit or a Preference Unit.

**Unit Holder:** a person noted on the unit register as the holder of a Unit, including persons jointly registered.

**Unpaid Distribution:** in relation to a Preference Unit has the meaning given in section 5.

**Wholesale Client Statement:** a Wholesale Client Statement in the form annexed to this Information Memorandum.

# Supplementary Information Memorandum

## Sankofa Property Fund

Preference Units by Sankofa Funds Management Pty Ltd as trustee of  
the Sankofa Property Fund

Sankofa Funds Management Pty Ltd

ACN 602 218 495

AFSL 473202

3 December 2015

## Introduction

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This supplementary information memorandum (**Supplementary Information Memorandum**) has been prepared by Sankofa Funds Management Pty Ltd as trustee of the Sankofa Property Fund (Sankofa, us, we, our and Manager). It is dated 3 December 2015.

This Supplementary Information Memorandum supplements the information contained in the information memorandum dated on or about May 2015 (**Information Memorandum**), and must be read in conjunction with the Information Memorandum.

Except as otherwise provided in this Supplementary Information Memorandum, terms used in this Supplementary Information have the same meaning as given to those terms in the Information Memorandum.

## Amendments

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This Supplementary Information Memorandum amends the Information Memorandum as follows:

### Section 1. Features at a glance

Replace all the wording in the fourth row “Fund Investment Objectives” in the second column starting “To generate returns ...” with the following.

“To generate returns from a portfolio of assets being (a) property development projects in Australia and/or (b) loans to (or notes or other debt securities issued by) Relevant Entities and/or (c) shares, units or other relevant equity interests issued by Relevant Entities.”

### Section 2. The Sankofa Property Fund

Replace all the wording in the third and fourth paragraphs starting “We will invest in ...” and “Investing in property development projects ...” respectively with the following:

“We will invest:

- (a) in specially selected property development projects in Australia; and/or
- (b) by providing loans to (or subscribing for or holding notes or other debt securities issued by) Relevant Entities - which loans or notes/ debt securities may be: (i) secured by mortgages (first or second ranking) over part or all of the relevant property located in Australia; (ii) secured by security interests over some or all of the shares, units or other relevant equity interest issued by the relevant Relevant Entities; or (iii) unsecured; and/or
- (c) by subscribing for or holding some or all shares, units or other relevant equity interests issued by Relevant Entities.

Relevant Entities will be nominated by Sankofa Funds Management Pty Limited. These may be any entities (whether corporate, trust or other entity) and may include Related Entities.

Where we invest in a property development project in Australia, we may use the assets of the Fund at our discretion in connection with the project including for any stage in connection with the project – for example for due diligence, development application, purchase of real property (including any deposit or settlement amounts), project management, engagement of builders or other relevant parties, arrangement of financing and other activities with buyers.

Where we invest by providing a loan to (or subscribing for or holding notes or other debt securities issued by) a Relevant Entity or by subscribing for or holding some or all shares, units or other relevant equity interests issued by a Relevant Entity, the Relevant Entity may use the proceeds at its discretion including for any stage in connection with a real property development project in Australia – for example for due diligence, development application, purchase of real property (including any deposit or settlement amounts), project

management, engagement of builders or other relevant parties, arrangement of financing and other activities with buyers.

Investing in property development projects and/or loans to (or notes or other debt securities issued by) Relevant Entities ) and/or shares, units or other relevant equity interests issued by Relevant Entities should be considered an illiquid investment.

### **Section 3. Key Parties**

Replace all the wording under “Custodian” with the following.

“One Managed Investment Funds Limited is the custodian of the assets of the Fund. As a leading custodian in Australia, the Custodian has considerable experience in providing custody services. The Custodian acts in accordance with instructions from the Manager in relation to assets of the Fund in accordance with the relevant custody agreement.”

### **Section 4. Risks of investing**

Delete all the wording in brackets in the fourth point under “Investment Risks and Asset Risks”.

### **Section 4. Risks of investing**

In the fifth point under “Investment Risks and Asset Risks”, replace the words “the properties being lower than the cost price” with the words “the assets being lower than the cost or subscription price”.

### **Section 4. Risks of investing**

Replace all the wording in the last three points under “Investment Risks and Asset Risks” with the following:

“

- Where the asset is a loan or note or other debt security (or a share, unit or other equity interest), there is a risk that the counterparty borrower or issuer may default under the terms of the loan or note or other debt security (or share, unit or other equity interest). In the case where the asset is a loan or note or other debt security which is unsecured, the Fund will not have the benefit of a mortgage or other security interest. In the case where the asset is a loan or note or other debt security which is secured, the Fund will be the holder of the relevant security interest and can enforce that security interest. However, there is the risk that the proceeds of enforcement of the security interest may not be sufficient to cover the amounts owing to the Fund under the loan or note or other debt security.
- Where the asset is a loan or note or other debt security (or share, unit or other equity interest), the borrower or issuer entity under the loan or note or other debt security (or share, unit or other equity interest) may borrow or issue other notes/ debt securities (other than under the loan or note or other debt security with Sankofa as lender or subscriber/ holder). A borrower (or issuer) entity will typically use financing facilities (or notes/ debt securities) with periodic maturity dates, which require re-financing at regular intervals. In times of poor market conditions, a borrower (or issuer) entity may find it difficult to re-finance. The value of the Fund’s loan or note or other debt security (or share, unit or other equity interest) will be negatively impacted if the borrower (or issuer) entity is unable to re-finance or if it can only re-finance on unfavorable terms. Further, the borrower or issuer entity will engage in property development projects in Australia, which involves risks including risks of development costing more than anticipated or not creating the value anticipated, of capital expenditure exceeding expectations and of disasters as set out above.
- Where the asset is a loan or note or other debt security which is unsecured, the Fund will not have the benefit of a mortgage or other security interest. The Fund will be an unsecured creditor of the relevant borrower or issuer entity along with any other unsecured creditors, and will be subject to and subordinated to all the interests of all the secured creditors (whether first, second or other

ranking) of the relevant borrower (or issuer) entity under the relevant mortgages, other security interests and related legal documentation.

- Where the asset is a loan (or note or other debt security) which is secured by a second ranking mortgage, the Fund will be subordinated to the lenders and other creditors under the first ranking mortgage. The rights of the Fund will be subject to and subordinated to the rights of the lenders and other creditors under the first ranking mortgage (and the related legal documentation – eg the loan or facility documentation, any other security interest for the benefit of those creditors, any deed of subordination and any deed of priority). Amongst other things, pre-enforcement, the counterparty borrower may be required to first repay lenders under the first ranking mortgage before repaying the Fund (and payment of any interest on the Fund’s loan may also be restricted). On enforcement, the lenders and other creditors under the first ranking mortgage will control enforcement, and proceeds of enforcement will be applied first towards all amounts owing to them, before any amounts owing to the Fund as the holder of a second ranking mortgage may be paid. There are risks that the interest and the principal on the loan of the Fund may not be paid or repaid by the counterparty borrower.
- Where the asset is a loan to (or note or other debt security issued by) a Relevant Entity which is secured by a security interest over some or all of the shares, units or other relevant equity interest issued by the relevant Relevant Entity, the rights of the Fund will be subject to and in accordance with the terms of the relevant security interest. The security interest will be granted by a party other than the Relevant Entity borrower or issuer, and there are risks that the security interest and related documentation may not be binding and enforceable.
- Where the asset is a share, unit or other relevant equity interest issued by a Relevant Entity, the Fund will be subordinated to the interests of creditors (secured or unsecured) of the Relevant Entity. The rights of the Fund will be subject to and in accordance with the terms of issuance or subscription of the relevant share, unit or other equity interest. There are risks that dividends and other distributions may not be paid by the Relevant Entity and that the share, unit or other relevant equity interest may not be redeemed.”

#### **Section 4. Risks of investing**

Replace all the wording in the first point under “Fund Risks” starting “The Fund will only ...” with the following:

“

- The Fund will only hold interests in: (a) real property development projects; and/or (b) loans (or notes or other debt securities) which may be (i) secured by mortgages (first or second ranking) over property located in Australia, (ii) secured by security interests over some or all of the shares, units or other relevant equity interest issued by the relevant Relevant Entities or (iii) unsecured; and/or (c) shares, units or other relevant equity interests issued by Relevant Entities.

#### **Section 4. Risks of investing**

Replace all the wording in the fifth point under “Fund Risks” starting “There is a risk that ...” with the following:

“

- There is a risk that counterparties with the Fund (or Fund associates), including borrowers, issuers, vendors, purchasers, tenants, agents, builders, sub-contractors and other relevant parties, do not perform their contractual obligations owed to the Fund (or Fund associates). The failure of the counterparties to perform may detrimentally impact the performance of the Fund or affect the value of Units. Counterparties may be Related Entities.”

#### **Section 7. Fund information**

Insert a new sentence at the end of the section under “Related party and other interests”:

“Further, Relevant Entities being counterparties to the Fund in respect of assets of the Fund may be Related Entities.”

#### **Section 10. Definitions**

Insert two new definitions before “Trust Fund” as follows:

**“Related Entities:** any entities (whether corporate, trust or other entity) which may be related to or associated with Sankofa Funds Management Pty Ltd (**Sankofa FM**), Australia Oracle Development Pty Ltd (**Oracle Development**) or any related entity of or other party related to or associated with Sankofa FM or Oracle Development (whether directly or indirectly). Related Entities may include :

- (i) Sankofa FM;
- (ii) Oracle Development;
- (iii) Australia Oracle One Pty Limited (**Oracle One**);
- (iv) any company or other entity owned wholly or partly by:
  - (A) Sankofa FM;
  - (B) Oracle Development;
  - (C) any director or shareholder of Sankofa FM or Oracle Development; or
  - (D) any associate, associated entity or related entity (each as defined in section 9 of the Corporations Act 2001 (Cth)) of (I) Sankofa FM, (II) Oracle Development, (III) any director or shareholder of Sankofa FM or Oracle Development or (IV) any associate, associated entity or related entity (each as defined in section 9 of the Corporations Act 2001 (Cth)) of Sankofa FM, of Oracle Development, of any director or shareholder of Sankofa FM or Oracle Development, or of any associate, associated entity or related entity (each as defined in section 9 of the Corporations Act 2001 (Cth)) of Sankofa FM or of Oracle Development;
- (iv) any associate, associated entity or related entity (each as defined in section 9 of the Corporations Act 2001 (Cth)) of:
  - (A) Sankofa FM;
  - (B) Oracle Development;
  - (C) any director or shareholder of Sankofa FM or Oracle Development; or
  - (D) any associate, associated entity or related entity (each as defined in section 9 of the Corporations Act 2001 (Cth)) of (I) Sankofa FM, (II) Oracle Development, (III) any director or shareholder of Sankofa FM or Oracle Development or (IV) any associate, associated entity or related entity (each as defined in section 9 of the Corporations Act 2001 (Cth)) of Sankofa FM, of Oracle Development, of any director or shareholder of Sankofa FM or Oracle Development, or of any associate, associated entity or related entity (each as defined in section 9 of the Corporations Act 2001 (Cth)) of Sankofa FM or of Oracle Development.

Oracle One may be wholly or partially owned by Oracle Development. Without limitation, a Related Entity may have as its director a person who is a director of Sankofa FM or a director of Oracle Development, and a Related Entity may have as its owner (directly or indirectly) a person who is a director or shareholder of Sankofa FM or Oracle Development.

**Relevant Entity:** any entity (whether corporate, trust or other entity) which may engage in one or more property development projects in Australia.”

## Wholesale Client Statement

Reference is made to the Information Memorandum prepared by Sankofa Funds Management Pty Ltd (ACN 602 218 495). Capitalised terms in this statement have the meaning referred to in the Information Memorandum.

The undersigned prospective client (the “Client”) represents and warrants, and undertakes to ensure, for the benefit of Sankofa Funds Management Pty Ltd at all times that the Client is a wholesale client (as defined in section 761G(4) of the Corporations Act) in respect of Preference Units offered or issued by Sankofa Funds Management Pty Ltd because the Client:

(Check and Initial any and all that apply. Please note that all monetary figures are given in AUD.)

- ☐ Price or Value Test - the price for the provision of the financial product or the value of the financial product to which the service relates equals or exceeds \$500,000 as referred to in section 761G(7)(a) of the Corporations Act. If qualifying under this criteria, then the minimum subscription for Preference Units (exclusive of the Establishment Fee) will need to be \$500,000 or greater.
- ☐ Size of Business Test - the financial product, or the financial service, is provided for use in connection with a business that is not a small business as referred to in section 761G(7)(b) of the Corporations Act. Small business means a business employing less than 20 people or if the business is or includes the manufacture of goods then less than 100 people. If qualifying under this criteria, the Client will need to submit written confirmation by a director where the Client is a corporation (the trustee where the Client is a trust) that the services and products are for use in connection with the business and that the business is not a small business (as defined above).
- ☐ Wealth Test - the financial product, or the financial service, is not provided in connection with a business, and the person being the Client who acquires the product or service has net assets of at least \$2.5 million or has a gross income for each of the last 2 financial years of at least \$250,000 a year and gives Sankofa Funds Management Pty Ltd before the provision of the product or service a copy of a certificate given within the preceding 6 months by a qualified accountant that states that the Client is such a person as referred to in section 761G(7)(c) of the Corporations Act. If qualifying under this criteria, the Client will need to submit written confirmation by a director where the client is a Corporation (or the Client where the Client is an individual or the trustee where the Client is a trust) that the financial product or service is not for use in connection with a business and a certificate from a qualified accountant as referred to in section 761G(7)(c) of the Corporations Act. Additional information regarding the certificate from the qualified accountant is set out in Appendix A.
- ☐ Professional Investor Test – the Client is a professional investor (as referred to in section 761G(7)(d) of the Corporations Act). Professional investor is defined in section 9 of the Corporations Act. If qualifying under this criteria, you will need to provide proof and or confirmation to the satisfaction of Sankofa Funds Management Pty Ltd regarding the type of professional investor status that applies to you. Sankofa Funds Management Pty Ltd may ask for additional information to confirm as it deems necessary.

The Client represents and warrants, and undertakes to ensure, at all times that the information contained herein is true, complete and accurate and may be relied upon by Sankofa Funds

Management Pty Ltd and its respective principals, associates and affiliates. The Client will notify Sankofa Funds Management Pty Ltd immediately of any change in any such information occurring.

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Signature of prospective client

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Name of prospective client (please print)

## Appendix A

### Certificate from Accountant

If the Client is to meet the requirements of a “wholesale” client pursuant to the Wealth Test then the Client must provide Sankofa Funds Management Pty Ltd with a certificate from an accountant confirming that the Client meets the definition of a “wholesale” client as per below:

#### (a) Australian clients

For the purposes of the Corporations Act, the certificate must be from a qualified accountant, being a member of (per ASIC Class Order CO 01/1256 as amended):

- (i) The Institute of Chartered Accountants in Australia (ICAA) who is entitled to use the post-nominals “CA”, “ACA” or “FCA”, and is subject to and complies with ICAA's continuing professional education requirements;
- (ii) CPA Australia (CPAA) who is entitled to use the post-nominals “CPA” or “FCPA”, and is subject to and complies with CPAA's continuing professional education requirements; or
- (iii) Institute of Public Accountants (IPA) who is entitled to use the post-nominals “AIPA”, “MIPA” or “FIPA”, and is subject to and complies with the IPA's continuing professional education requirements.

#### (b) Foreign clients

ASIC Class Order (CO 04/173) expands the scope of who may be a qualified accountant.

For the purposes of the Corporations Act, the certificate must be from a qualified accountant, being a member of an eligible foreign professional body who:

- (i) has at least 3 years of practical experience in accounting or auditing; and
- (ii) is providing a certificate to a person who is resident in the same country (being a country other than Australia) as that member.

An “eligible foreign professional body” means each of the following:

- (a) American Institute of Certified Public Accountants;
- (b) Association of Certified Chartered Accountants (United Kingdom);
- (c) Canadian Institute of Chartered Accountants;
- (d) Institute of Chartered Accountants of New Zealand;
- (e) The Institute of Chartered Accountants in England and Wales;
- (f) The Institute of Chartered Accountants in Ireland;
- (g) The Institute of Chartered Accountants of Scotland.

In addition to providing a certificate from a qualified accountant prior to the commencement of a relationship with Sankofa Funds Management Pty Ltd, where the Client is involved in receiving ongoing financial services, the Client must also provide an updated certificate from a qualified accountant at least every 2 years.

