





BUSINESS PARK

FUND:	ZAP FINANCE FUND NO 2
INVESTMENT MANAGER:	ZAP PROPERTY GROUP PTY LTD (ACN 099 261 962)
TRUSTEE:	MELBOURNE SECURITIES CORPORATION LIMITED (ACN 160 326 545) (AFSL 428 289)
PROJECT:	CONO BUSINESS PARK 52 BAKERS RD, COBURG NORTH, VIC, 3058

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IMPORTANT INFORMATION

ISSUER DETAILS

This Information Memorandum (Memorandum) is issued by ZAP Property Group Pty Ltd (ZAP or Investment Manager) and relates to the issue of Units in the ZAP Finance Fund No 2 (Fund) and is offered in strict confidence to a limited number of parties (Recipients) who are invited to evaluate the opportunity to acquire Units in the Fund. By accepting this Memorandum, the Recipient agreed to be bound the terms and conditions herein.

ZAP is the investment manager of the Fund and is appointed as a corporate authorised representative (CAR 1265012) of MSC Advisory Pty Ltd (MSCA) (AFSL 480649). The Trustee of the Fund is Melbourne Securities Corporation Ltd (Trustee) who issues Units under an Australian Financial Services Licence (AFSL 428289).

Under the Australian Corporations Act 2001 (Corps Act), the Fund has not been and is not required to be registered as a managed investment scheme and this Memorandum has not been and is not required to be lodged with the Australian Securities and Investment Commission (ASIC).

DISTRIBUTION RESTRICTION

The distribution of this Memorandum outside Australia may be restricted by law. Accordingly, except where permissible under the laws of the particular jurisdiction and with our prior written consent, this Memorandum cannot be used outside of Australia.

This Memorandum does not and is not intended to constitute an offer or invitation in any place or jurisdiction (other than Australia) in which or to any person to whom it would not be lawful to do so. If you come into possession of these documents, you should seek your own advice about and observe such restrictions.

WHOLESALE CLIENTS

This Memorandum has been prepared on the basis that prospective investors are, within the meaning of the Corps Act, wholesale clients and not retail clients. Each investment in the Fund must be made by a Wholesale Investor, that is, an investor who is exempt from being treated as a retail client or is otherwise permitted by law to participate. Consequently, this Memorandum is not a product disclosure statement (PDS) and does not contain all of the information that would be included in PDS.

CONFIDENTIALITY

Without the Investment Manager's express prior written consent, this Memorandum cannot be used for any purpose other than a consideration of an investment in the Fund and neither this Memorandum nor any other information provided by the Investment Manager may be disclosed to any other party except for the purpose of obtaining independent advice relating to a consideration of an investment in the Fund.

Any reproduction of all or part of this Memorandum is strictly prohibited without the written consent of the Investment Manager. In the event that the Recipient does not participate in the Fund, this Memorandum along with all related materials must be returned to the Investment Manager immediately upon demand.

DUE DILIGENCE

The information in this Memorandum is not intended to be relied upon as investment or tax advice to Recipients. To the maximum extent permitted by law, the Investment Manager and Trustee do not accept any liability or responsibility for any loss or damage (however caused including without limitation for negligence) arising from reliance placed on the information contained in this Memorandum.

The information in this Memorandum has been prepared without taking into account the Recipient's investment objectives, financial circumstances or particular needs. Any investment decision should be made based solely upon appropriate independent due diligence.

Recipients are advised to consult their own professional advisers as to the legal, tax, financial or other matters relevant to the suitability of an investment in Units of the Fund. An investment in any unit trust, including the Fund, is subject to risks of potential loss of income and the potential loss of capital as a result of specific events.

This offering is suitable only for investors whose need for liquidity is consistent with the limitations on redemption and transferability described herein.

An investment in the Fund is subject to investment and other known and unknown risks, some of which are beyond the control of the Investment Manager and Trustee and their directors, employees, advisers or agents. The Investment Manager and Trustee do not guarantee any particular rate of return or the performance of the Fund nor does the Investment Manager or Trustee personally guarantee the repayment of capital or any particular tax treatment.

FORWARD LOOKING STATEMENTS

The forward-looking statements included in this Memorandum involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies many of which are outside the control of and are unknown to the Investment Manager and/or Trustee.

Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, prospective applicants are cautioned to not place undue reliance on such forward looking statements. Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or

meaning in this Memorandum are forward looking statements and subject to this disclaimer.

SUMMARY OF KEY DOCUMENTS

This Memorandum contains a summary of certain documents. Complete legal documentation such as the Trust Deed for the Fund is available by application to the Trustee. In the event of any inconsistency between the legal documentation and this Memorandum, then the legal documentation will prevail to the extent of the inconsistency.

INVESTMENT MANAGER AND TRUSTEE REPRESENTATIONS

Except where expressly disclosed, the information contained in the Memorandum has not been independently verified or audited. To the maximum extent permitted by law, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Investment Manager or Trustee as to the accuracy or completeness of any part of this Memorandum.

No person has been authorised to make any representations concerning the Fund that are inconsistent with those contained in this Memorandum as supplemented from time to time and no person may rely on any such other information or representations if they are given or made.

APPLICATIONS AND COOLING-OFF

The Trustee reserves the right to evaluate any applications and to reject any or all applications submitted without giving reasons for rejection. Neither the Investment Manager nor the Trustee are liable to compensate Recipients for any costs or expenses incurred in reviewing, investigating or analysing the Memorandum and any other information provided relating to a consideration of an investment in the fund and submission of any application. No cooling off period applies to the issue of Units in the Fund.

DATE AND CURRENCY

This Memorandum is dated **6 June 2018**. Neither the delivery of this Memorandum at any time nor any sale hereunder shall under any circumstances create an implication that the information contained herein is correct as of any time after that date. The Investment Manager and Trustee disclaim any liability which may arise from changes to this Memorandum.

The Investment Manager reserves the right to modify any of the terms of issue of Units in the Fund as described in this Memorandum. This Memorandum may be updated or replaced from time to time. Unless the changed information is materially adverse to Unitholders, this Memorandum may not always be updated or replaced. However, before completing the issue of Units in the Fund, the Investment Manager and Trustee will provide Recipients and their authorised representatives with the opportunity to ask questions and receive answers concerning the terms and conditions of this offering and to obtain additional information concerning this offering to the extent the Investment Manager and Trustee possess such additional information or can obtain it without unreasonable effort or expense.

Except as stated otherwise, all dollar (\$) values are in Australian dollars.

LETTER FROM THE MANAGER

4 June 2018

Dear Investor,

Zap Property Group Pty Ltd is pleased to present you with the opportunity to invest in a commercial property development consisting of storage, warehousing and office space in Coburg North.

The property is located at 52 Bakers Rd, Coburg North which is located about 10km north of Melbourne CBD. Coburg North's proximity to the CBD as an industrial development makes this an appealing opportunity for both investors and business owners.

The Investment Manager is aiming to raise \$5 million in equity from investors and a debt facility with a leading Australian Bank for \$13 million.

The investment is forecast to provide targeted returns on an annual non-compounding basis on your original investment and is expected to be completed within a 3 year period. Interest income will be capitalised and paid at the completion of the project.

The Director and executives of the Company have strong backgrounds in property development and have had previous experience in managing and advising on a large number of property developments. The Director and executives have significant insight into the evolution and changing landscape of property demand.

The opportunity to invest in the ZAP Finance Fund No 2 is open to eligible investors only as set out in the Information Memorandum.

We encourage you to consider this opportunity and recommend that you review the Information Memorandum carefully and discuss it with your professional investment and tax advisor. The ZAP Finance Fund No 2 is a unique investment opportunity and one that we believe is worth strong consideration.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'G. Zappone', with a stylized flourish at the end.

Giulio Zappone
Managing Director

SUMMARY AND KEY FEATURES

Fund name	ZAP Finance Fund No 2
Fund structure	The Fund is an unregistered managed investment scheme structured as a unit trust established by the Trustee pursuant to the Trust Deed and is governed by Australian law.
Fund objective	<p>Raise a maximum of AUD \$5 million</p> <p>The Trustee may determine that a lesser or greater amount is raised in its absolute discretion.</p>
Fund purpose	<p>To raise capital from investors through the issue of Units and to then provide this capital by way of debt instruments to the Property Developer supporting the development site acquisition, procurement of the development approvals and carrying out of the development at 52 Bakers Rd, Coburg North</p> <p>A separate Class of Units may be issued to investors in relation to the Project to reflect different terms. Different terms, including target returns, may be negotiated with each investor</p>
Investment objective	Generate an attractive return through the provision of working capital by way of loan facilities to the Property Developer
Target return	This will be contained in the application form.
Distributions	Distributions are unlikely to be made during the Investment Term. The Trustee anticipates making distributions once sufficient sales of the Project have been realised by the Property Developer.
Redemptions	<p>Neither the Fund nor the underlying investment by the Fund is expected to be liquid. As a single project “closed-end” fund, the Trustee anticipates redeeming Units once sufficient sales of the Project have been realized by the Property Developer and the Property Developer repays Project debt.</p> <p>The Trustee may, in its absolute discretion, process redemptions in any manner. In exceptional circumstances a Unitholder may be allowed to redeem some or all of its Units before the end of the Investment Term. Investors may, subject to the Trustee’s discretion, be able to transfer their Units to another eligible investor.</p>
Security	Your investment in the Fund is unsecured as is the Fund’s loan to the Property Developer. The Fund’s activities will be limited to providing funding to the Property Developer for the Project.
Gearing	The Fund will not be geared. The Property Developer may obtain external funding secured by the Property. The maximum loan to value ratio is not expected to exceed 75% of the as if complete valuation of the Property (excluding the loans to be provided by the Fund) and drawdown will be subject to minimum pre-sales conditions.

Subordination & Priority	Where the Property Developer obtains external funding secured by the Property, the rights of the Fund to repayment of the debt instruments will be subordinated to those of the lenders but will rank ahead of amounts payable to the Property Developer.
Eligible investors	Wholesale Clients as defined by the Corps Act and other persons otherwise permitted by law.
Minimum investment	The minimum initial investment is AUD \$100,000. The Trustee has discretion to accept smaller amounts.
Investment term	<p>As a “closed-end” project specific Fund, the investment term will be determined by the timeframe for the Property Developer to complete construction and realise sales.</p> <p>The expected investment term is approximately 30 months after which the Trustee proposes to wind-up the Fund. The Trustee may extend or shorten the Investment Term as necessary for the completion of the Project.</p>
Final close	When fully subscribed or at the discretion of the Trustee. The Trustee retains the right, in its absolute discretion, to raise additional capital after final close where required.
Investment Manager	ZAP Property Group Pty Ltd (ACN 099 261 962) also a Corporate Authorised Representative (CAR 1265012) of MSC Advisory Pty Ltd (ACN 607 459 441) (AFSL 480649)
Trustee of fund	Melbourne Securities Corporation Limited (ACN 160 326 545) (AFSL 428289)
Property Developer	ZAP Property 2 Pty Ltd as trustee for the ZAP Property Trust 2 is the property developer, Property owner and the borrower of funds from the Fund
Project Manager	ZAP Property Group Pty Ltd has been engaged by ZAP Property 2 Pty Ltd under a project management agreement to manage the carrying out and marketing of the development. The Project Manager is also the Investment Manager of the Fund.
Investment Manager fee	The Investment Manager is entitled to an annual fee not exceeding \$8,000 plus GST per annum which will be borne by the Fund.
Trustee fee	The Trustee is entitled to a once-off fee of \$5,000 plus GST on establishing the Fund and an annual fee based on the amount of funds raised by the Fund. The annual fee is expected to be \$18,000 plus GST which will be borne by the Fund.
Administration fees	Other than the Investment Manager and Trustee fees for capital raising licensing requirements, the Fund does not expect to incur any additional fees except for professional services such as accounting, auditing and tax.
Risks	There are risks associated with an investment in the Fund which should be considered by Investors prior to submitting an application. The Investment Manager has identified these risks to include specific property, financial risks and general risks – refer to the risks section of this Memorandum.

PROJECT OVERVIEW¹

OVERVIEW

The CONO Business project is a premium Industrial/Business Park in the inner suburb of Coburg North, Melbourne Victoria, located at 52 Bakers Rd, Coburg North to be known as the CONO Business Park.

The site of 14,890sqm was purchased for \$7.5 million in early 2018, an application for a permit has been submitted for a mixed-use development of 63 warehouses, stores and office spaces. The planning permit is expected to be issued around September 2018 and construction to begin in late 2018.

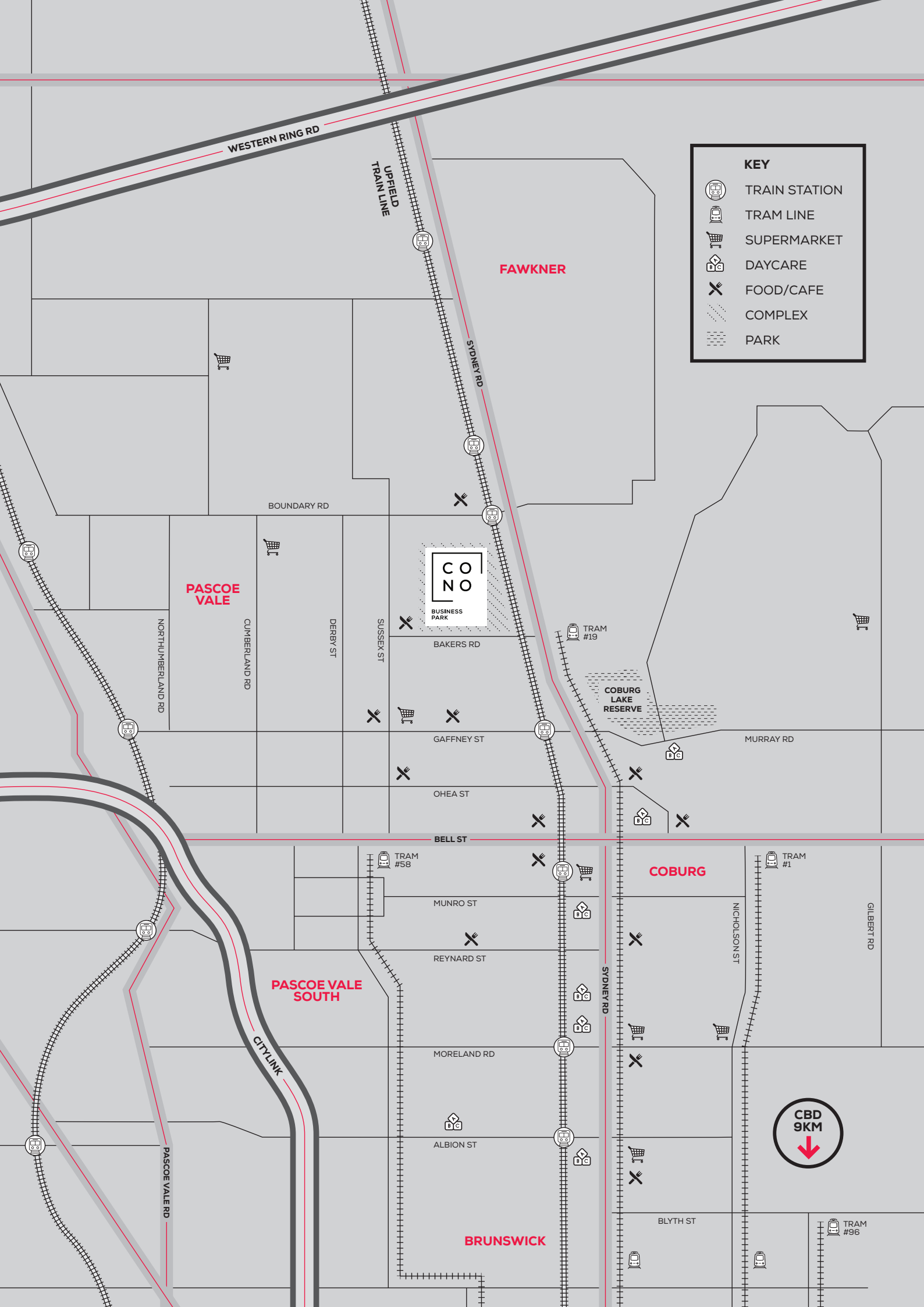
The total development cost is estimated to be \$18.8 million approximately and the project development is expected to be completed within 30 months. Forecast sales revenue is \$25.9 million.

PROJECT LOCATION

In close proximity to the CBD and to key arterial linkages and only 10 kilometres north of Melbourne, Coburg is fast becoming one of the hippest suburbs in Melbourne and a place business wants to locate.



¹All images in this section have been provided by makersCo and are used for illustrative purposes. The Project may bear no similarity to the images contained in this document.



KEY

 TRAIN STATION

 TRAM LINE

 SUPERMARKET

 DAYCARE

 FOOD/CAFE

 COMPLEX

 PARK

CBD
9KM





ARCHITECT DESIGNED MASTER-PLANNED PREMIUM BUSINESS PARK

The Project has been designed & documented by Particular Group Architects & BB Design Group.

The 14,890sqm master-planned CONO Premium Business Park has been carefully designed to ensure a range of Industrial warehouses/store units with the ease of access via all major arterial roads. CONO Business Park is set to become home to a complimentary range of innovative commercial and industrial businesses. The owners, tenants and occupants of this premium development will enjoy a superior work environment that comes from being surrounded by this first-class northern Melbourne locale.

CONO includes 63 units with high-clearance warehouse / stores, flexible areas, modern amenities and parking for over 120 vehicles. Diversity of lot sizes and access to major transport routes have been a driving force for many businesses that will move into the CONO Business Park estate. CONO is set to become home to 63 businesses, supporting employment within the City of Moreland and adding to the vibrancy of the Coburg North - CONO - community.



MARKETING AND SALES

It is intended to utilise a marketing and sales approach that is consistent with the ZAP Property Industrial acquisition strategy model.

The CONO Business Park project will utilise traditional retail sales methods driven by our local specialist Real Estate Agents. The sales office will be supported with marketing collateral including website, brochures, 3D renders and site signage as well as advertising in both print media and digital media. All forms of media will support the strategy both locally within Australia and regions outside Australia. Sales for the warehouses/stores are expected to commence in June 2018.

Zap Property is proud to be setting a new benchmark for Industrial/Business Parks and will leverage its strong brand to create a competitive advantage and point of difference. It is expected that the majority of the CONO Business Park warehouses/store units will be sold prior to the commencement of construction. The sales & marketing strategy to be employed will seek to maximise price tension whilst ensuring that all sales stock is sold in a timely manner.

Enquiries for the warehouses/stores are already at high levels due to the sell-out of Stage 1 at Lot A - 50 Bakers Rd, Coburg North, (Bakers Business Park) with warehouse areas for Stage 1 ranging from 150 sqm - 500 sqm approx. The CONO Business Park will be developed into warehouse/stores and office areas ranging from 70sqm - 450sqm approx. which aligns with the implementation of ZAP's industrial acquisition strategy and our aim to drive growth in pre-commitment deals in ZAP's exciting new Industrial/Business Park developments.

["Industrial sentiment has increased amid reports of strong warehousing and logistics activity linked to growth in online retail and e-commerce thanks to the likes of retail giant Amazon launching in Australia. Industrial sentiment rose to 18 points from two in the previous quarter"](#)

| Source: The Urban Developer, Feb 22nd 2018 (Industrials – Top pick for real estate sector this year)

["Our view is that in Australia the industrial sector is best placed to take advantage of the global and structural changes occurring in our economy," says Dixon. "It has capacity for higher income growth moving forward, higher liquidity of stock and lower total entry costs relative to other asset classes such as office and retail."](#)

["The industrial sector has a particularly strong narrative around ecommerce growth going forward," Dixon says. "Our view is that the arrival of Amazon in Australia will be a strong catalyst for industrial space demand. We are forecasting over 500,000sqm of gross take up from ecommerce providers over the next five years."](#)

["That is going to lead to an upswing in demand for industrial nationally, particularly in markets like Sydney and Melbourne that have high population density and high population growth," says Dixon. "They will benefit from rental growth based off this demand."](#)

| Source: AMP Capital, Feb 12th 2018 (Industrials – Top pick for real estate sector this year)
AMP Capital Head of Real Estate Research Luke Dixon

²Bakers Business Park (Stage 1) is a separate development to the development CoNo Business Park being undertaken by Property Developer. None of the Fund, the Trustee, the Investment Manager or any other part of the ZAP Property Group is associated with the developer of Bakers Business Park (Stage 1) or with the project itself. The sales and marketing campaign for CoNo Business Park will be conducted by ZAP Property separately to any sales and marketing for Bakers Business Park (Stage 1).

DEVELOPMENT TIME LINES

Acknowledging that neither the Fund nor the underlying investment by the Fund is expected to be liquid and that the Investment Manager anticipates directing the Trustee to redeem Units once sufficient sales of the Project have been realised by the Property Developer and the Property Developer repays debt instruments, the Property Developer provides the following forecast timing are as follows;

Design/ Planning Permit Drawings and Consultant Reports:	Jan 2018-June 2018
Planning Period:	Jan 2018-July 2018
Marketing & Branding (ZAP Property Group):	Mar 2018-July 2018
Sales (Oxford Property):	Commencing June 2018
Planning Permit & Endorsed Drawings:	Aug 2018-Sep 2018
Early Contractor Involvement Phase:	May 2018-July 2018
Building Permit / Construction Drawings and Specifications:	Sep 2018-Oct 2018
Tender Period (4 weeks):	Sept 2018-Oct 2018
D&C Contract:	Nov 2018
Construction Start	Dec 2018-Jan 2019
Practical Completion:	April 2020-May 2020
Settlements:	June 2020-July 2020

PROJECT FEASIBILITY

The following table sets out the Project costs based on the Property Developers' best estimates.

REVENUE	SUPPORTING DATA	\$
Sales Revenue	Feasibility Supporting Documents – Table 1	25,900,000
Less GST on sales	No GST payable on commercial property	0
Gross Realisation		25,900,000
Less Sales Commission		780,000
Net Realisation		25,120,000
EXPENSES		
Land Acquisition Costs	Includes Finance Fees	7,500,000
Stamp Duty		485,000
Professional Consultants Fees		280,000
Selling & Marketing Costs		70,000
Construction Costs	Rates, Taxes & Infrastructure Costs	9,070,000
Infrastructure & Statutory Fees	Legal Fees & Council fees	340,000
Other Costs		120,000
Project & Design Management		520,000
Project Contingency 5%		450,000
TOTAL COSTS		18,835,000
PROJECT PROFIT BEFORE INTEREST		6,285,000

Oxford Property has been commissioned to provide an estimate of the selling prices supporting the feasibility assessment. A summary forming the basis of projected revenue from commercial space is outlined below.

UNIT	W/HOUSE	FFL OFFICE	FFL MEZZ	TOTAL	PRICE
1	252	100	100	452	\$1,062,200
2	252	100	100	452	\$1,062,200
3	210	85	85	380	\$893,000
4	210	85	85	380	\$893,000
5	251	80	--	331	\$728,200
6	251	80	--	331	\$728,200
7	213	60	--	273	\$586,950
8	213	60	--	273	\$586,950
9	158	40	--	198	\$495,000
10	176	55	--	231	\$623,700

UNIT	W/HOUSE	FFL OFFICE	FFL MEZZ	TOTAL	PRICE
11	176	55	--	231	\$623,700
12	139	35	--	174	\$478,500
13	152	40	--	192	\$537,600
14	152	40	--	192	\$537,600
15	113	40	30	153	\$436,050
16	110	40	--	150	\$472,500
17	110	40	--	150	\$472,500
18	113	40	--	153	\$436,050
19	111	40	--	151	\$430,350
20	83	--	--	83	\$290,500
21	83	--	--	83	\$290,500
22	112	40	--	152	\$425,600
23	98	--	20	118	\$383,500
24	95	--	20	115	\$373,750
25	95	--	20	115	\$373,750
26	95	--	20	115	\$373,750
27	95	--	20	115	\$391,000
28	95	--	20	115	\$391,000
29	95	--	20	115	\$391,000
30	98	--	20	118	\$401,200
31	98	--	--	98	\$333,200
32	95	--	--	95	\$323,000
33	95	--	--	95	\$323,000
34	95	--	--	95	\$323,000
35	95	--	--	95	\$323,000
36	95	--	--	95	\$323,000
37	95	--	--	95	\$323,000
38	98	--	--	98	\$333,200
39	90	--	--	90	\$310,500
40	87	--	--	87	\$300,150
41	87	--	--	87	\$300,150
42	87	--	--	87	\$300,150
43	87	--	--	87	\$300,150
44	87	--	--	87	\$300,150
45	87	--	--	87	\$300,150
46	90	--	--	90	\$310,500
47	80	--	--	80	\$276,000
48	77	--	--	77	\$265,650
49	77	--	--	77	\$265,650
50	77	--	--	77	\$284,900
51	77	--	--	77	\$284,900
52	77	--	--	77	\$284,900
53	77	--	--	77	\$284,900
54	80	--	--	80	\$296,000
55	80	--	--	80	\$296,000
56	78	--	--	78	\$288,600
57	77	--	--	77	\$284,900
58	76	--	--	76	\$281,200
59	74	--	--	74	\$273,800
60	73	--	--	73	\$270,100
61	72	--	--	72	\$266,400
62	71	--	--	71	\$262,700
63	70	--	--	70	\$252,000
7,167				8,852	\$25,914,700

PROJECT TEAM

The ZAP Property Group Pty Ltd has been engaged by the Property Developer, ZAP Property 2 Pty Ltd as trustee for the Zap Property Trust 2 under a project management agreement to manage the carrying out and marketing of the development. Below are the key members of the Project Manager.

Giulio Zappone



Giulio is the founder and Managing Director of the Zap Property Group. He has a passion for design and an eye for value, the combination has delivered a range of iconic properties across Melbourne since 2000.

ZAP Property Group is a boutique developer with demonstrated experience in delivering luxury, quality apartments and townhouses in Melbourne.

Giulio has built Zap Property Group's success around a relentless pursuit of perfection, underpinned by prudent design and construction processes.

Giulio's vision is to deliver contemporary living environments that achieve a balance between aesthetic individuality and community integration, investing significant time and resources toward identifying premium, prestige inner-city locations for functional and beautiful buildings which excel in quality and value.

Nick Nigro



Nick is a Registered Architect and a Design & Development Manager for the ZAP Property Group.

With over 25 years' of industry experience, Nick has become a specialist in all areas of the design process, from strategic master planning / peacemaking, project feasibility analysis, marketing, branding, pre-leasing/pre-sales, through to the design and delivery stages of our developments.

Nick has particular expertise in working extensively on medium, to very large-scale projects and has lead the design and delivery of numerous complicated integrated mixed-use projects including retail shopping centres, office buildings, residential apartments and hotels both in Australia and around the world.

Nick leads the Zap Property Group's design & development management staff including our Independent Project Management, Superintendent and Consultant teams.

Carl Woerndle



Carl Woerndle heads up Zap Property Group's investment business. Carl is an experienced CEO, manager, director and consultant across multiple sectors.

Carl brings a wealth of experience including strategy, sales/marketing, management & investment solutions and has worked with all levels of organisations across more than 2 decades of business ownership, management, consulting & property including spending 3 years with Deloitte in Consultancy.

Carl has a proven track record in developing and implementing investment strategies to deliver strong growth outcomes for businesses.

Carl has also developed several successful businesses from start up in the Australian IT Industry & has been involved in capital raising, divestments and public entities

Adam Zappone



Adam is the Site Acquisitions & Digital Manager for the ZAP Property Group. Adam possesses over 20 years corporate IT experience, and 15 years' experience in various property development project roles.

Adam leads the Zap Property Group's Site Acquisitions & Digital Management team researching locations to determine appropriateness for current and future development opportunities.

Adam researches, negotiates and elects to purchase short- and long-term development opportunities that meet the organisation's goals. Performs inspections on possible property acquisitions and monitors trends and developments to ensure organisational goals are met.

In addition to the above key members of the team, the Project Manager has assembled a professional team of external consultants to carry out the due diligence, costings and analysis for the Project.

This team includes:

ORGANISATION	EXPERTISE
Zap Property Group	Project & Development Management
Particular Group Architects	Design Architects
BB Design Group	Industrial Designer & Documentation
Oxford Property	Sales & Marketing
Charter Keck Cramer	Valuation Advisers
RJS Engineering	Structural & Civil Engineer
LS Planning	Town Planner
Etched	Landscape Architect
O'Brien Group	Traffic Engineer
DML Survey	Land Surveyor

KEY CONSULTANTS

ZAP PROPERTY GROUP

www.zapproperty.com.au

Setting a benchmark in a new business park typology, ZAP Property Group offer an uncompromising attitude to both quality and design. They have been involved in many prestige developments in and around Melbourne, and team up with leading contemporary Australian architects and designers to create a new standard in inner city industrial business parks

PARTICULAR GROUP ARCHITECTS

www.particulargrouparchitects.com.au

Particular Group Architects are a design focused Urban Planning, Architecture and Interior Design Studio located in Melbourne, Australia, we have a reputation for innovative design and delivery solutions. Particular's design team consists of experienced veterans of the industry, combined with youth and innovation - resulting in innovative design, with the experience to deliver our designs. Our approach to design is not a prescriptive one, Particular enjoy getting to know our valued clients and working closely with them to arrive at the right outcome together. We aspire to create something unexpected and refreshingly innovative for the future residences, occupants and the public realm interfaces of our built assets. The journey from design to delivery can be incredibly rewarding for our clients who have made the bold choice to embark on a development project, and more importantly, appreciate the value and experience that an Architect adds.

BB DESIGN GROUP

www.bbdesigngroup.com.au

BB Design Group apply innovative thinking with practical experience to the full spectrum of services. All projects are personally managed from beginning to end by their professional, highly skilled documentation staff and consultant teams.

OXFORD PROPERTY

www.oxfordproperty.com.au

Oxford Property is privileged to be the exclusive Marketing Agents for the CONO Business Park development, with a reputation that's second to none in Melbourne's commercial/industrial real estate market.

Oxford Property have successfully sold a number of commercial/industrial projects off the plan within the North/North West & Western regions of Melbourne including "Stage 1" at 50 Bakers Rd, Coburg North

STRUCTURE OF THE FUND

ZAP FINANCE FUND NO 2

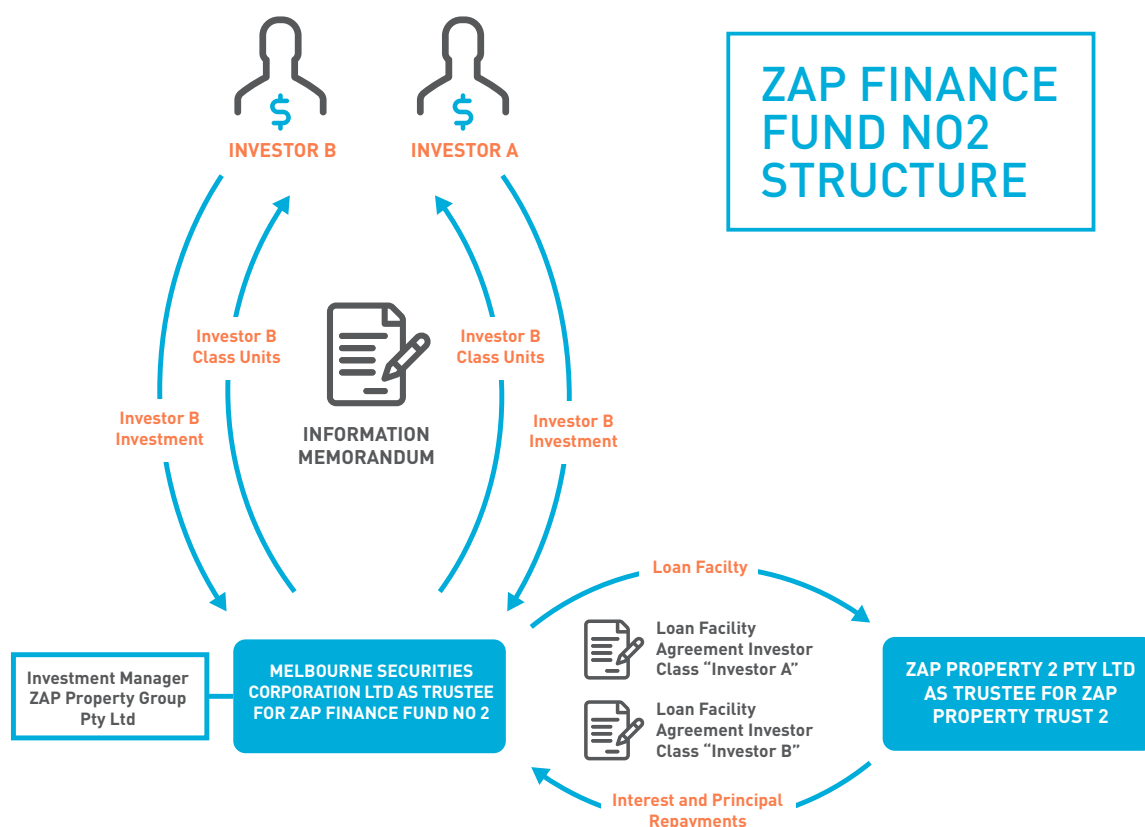
The ZAP Finance Fund No 2 (the Fund) is an unregistered managed investment scheme structured as a unit trust established by the Trustee pursuant to the Trust Deed under and governed by Australian law.

This Fund will operate as a closed-end project specific vehicle with an expected life of approximately 30 months. The Fund's only intended investment will be to invest in debt instruments provided to the Property Developer.

The Trust Deed contains the necessary mechanics for the issue and redemption of Units to facilitate the advance and repayment of invested funds and for distributions to Unitholders to facilitate the payment of interest on the sums invested. The Trust Deed also incorporates the necessary provisions for particular regulatory and tax laws governing the use of unit trusts to finance property developments.

Eligible investors choosing to invest will apply for \$1.00 Units in the Fund. The Trustee will issue each investor with his or her own Class of \$1.00 Units. Separate terms, including target returns, may be negotiated with each investor. The Fund will enter into a Loan Facility Agreement (LFA) with ZAP Property Trust 2. The LFA terms will provide a loan which can be drawn down at different times and on different terms.

Loans under the LFA will be unsecured. ZAP Property 2 Pty Ltd as trustee for ZAP Property Trust 2 will be responsible for making payments to the Fund in respect of the LFA. Generally, where payments are made each Class of Units will have an entitlement to a proportion of the payment pro-rata to the value of their investment against the total loan amount. However, subject to its obligations under the Trust Deed and the law, the Trustee reserves the rights to apply a payment in any manner, including by applying it to a particular Class or Classes of Units. Payments under the LFA are not expected until Project sales have settled and senior debt is repaid.



INVESTMENT MANAGER OF FUND

Zap Property Group Pty Ltd (ZAP or Investment Manager) is the appointed Investment Manager for the Fund. ZAP is a corporate authorised representative (CAR 1265012) of MSC Advisory Pty Ltd (MSCA).

The Investment Manager will arrange and coordinate the debt instruments to be provided by the Fund to the Property Developer.

In addition, the Investment Manager will be responsible for the administration of the Fund including maintenance of the Unit register and coordinating the Fund's legal and tax compliance obligations.

TRUSTEE OF THE FUND

Melbourne Securities Corporation Limited (MSC) is the Trustee of the Fund. The Trustee is the holder of an Australian Financial Services Licence AFSL No 428289.

The Trustee is required to meet strict financial guidelines as set out in the Corps Act and under its AFSL including holding adequate professional indemnity insurance and a minimum net tangible assets and it must produce regular cash flow projections to ensure it has the financial resources to meet its obligations on an ongoing basis.

The main responsibilities of the Trustee are to operate the Fund and ensure compliance as legislated by the Corps Act and governed by ASIC.

Exercising its powers and duties, the Trustee will act honestly and in the best interests of Unitholders at all times, appoint and monitor the performance of the Investment Manager and exercise a reasonable degree of care and diligence, treat each Class of Unitholders equally and fairly, not make use of information obtained to gain an improper advantage or cause detriment to Unitholders, ensure Fund property is separated from the property of other schemes operated by the Trustee or Investment Manager and ensure the Fund is conducted in accordance with the Trust Deed and all other applicable legislation.

In adherence with Corporations Act requirements, the Trustee is subject to independent financial audit. It is also subject to independent compliance audit on a minimum annual basis.

ZAP PROPERTY TRUST 2

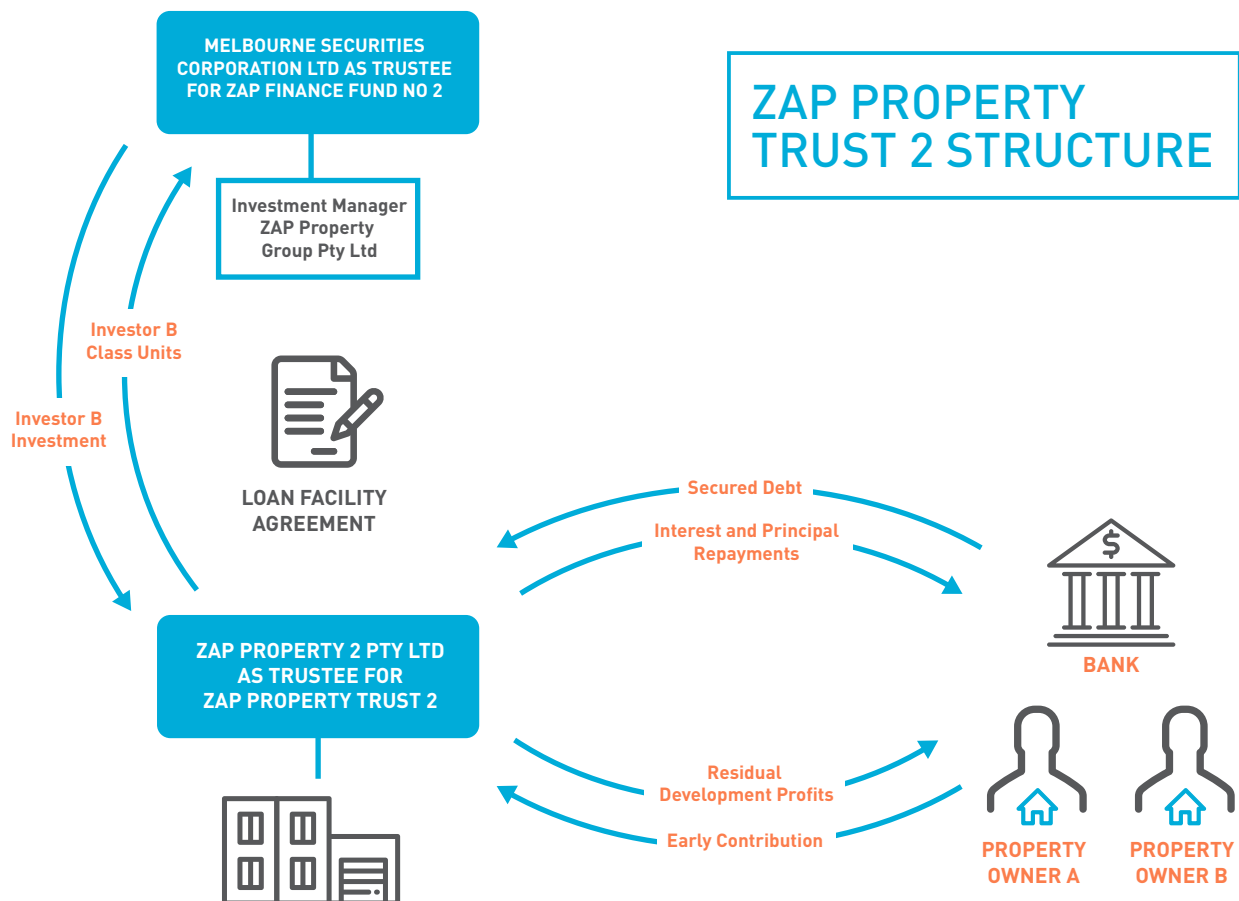
ZAP Property 2 Pty Ltd as trustee for ZAP Property Trust 2 (Property Developer) is an unlisted unit trust which owns the property. The unitholders are entities associated with ZAP and its Directors who provide the equity interests in the property development and will be entitled to the residual proceeds after discharging construction, sales and financing costs. The Property Developer has entered into a project management agreement with ZAP, which also acts as Investment Manager of the Fund, to manage the carrying out and marketing of the development.

The Property Developer may obtain external funding secured by the property. The maximum loan to value ratio is not expected to exceed 75% of the as if complete valuation of the Property (excluding the loans to be provided by the Fund) as and when valuation is required by the external bank finance provider and drawdown subject to minimum pre-sales conditions. The Property Developer intends to secure additional funding from the Fund through the Loan Facility Agreement (LFA).

Upon completion of the development, net proceeds from property sales will be first applied to extinguishing external funding after interest and capital, together with accumulated interest, will be paid to the Fund under the LFA.

The Fund will use the net proceeds it receives to make distributions to investors and redeem their Units after which the Fund will be wound up.

Any surplus net proceeds representing residual profits from the development along with the owners' equity contribution will be distributed to the Property Developer's unit holders.



PROJECT MANAGER

ZAP has also been appointed as the Property Manager. ZAP is a privately-owned property development company based in Melbourne. The Company is committed to designing and developing high-end quality developments with a focus on both commercial and residential projects.

ZAP's vision is to deliver contemporary living environments that achieve a balance between aesthetic individuality and community integration, investing significant time and resources toward identifying premium, prestige inner-city locations for functional and beautiful buildings which excel in quality and value.

FUND LEGAL AND TAX COMPLIANCE

The Fund retains the services of Hall & Wilcox Lawyers to act as legal advisors. The funds team at Hall & Wilcox is considered a leading expert in the Australian financial services industry.

Their experience includes working with registered and unregistered fund managers, listing managed funds on the ASX as well as acting for banks and other financial institutions.

The Hall & Wilcox funds team acted as the legal advisor to the Investment Manager in relation to the preparation of this Memorandum, assists with the preparation of key documents such as the Trust Deed for the Fund and the debt instruments involving the Property Developer. Broadly, the Fund utilises Hall & Wilcox Lawyers to ensure compliance with relevant laws.

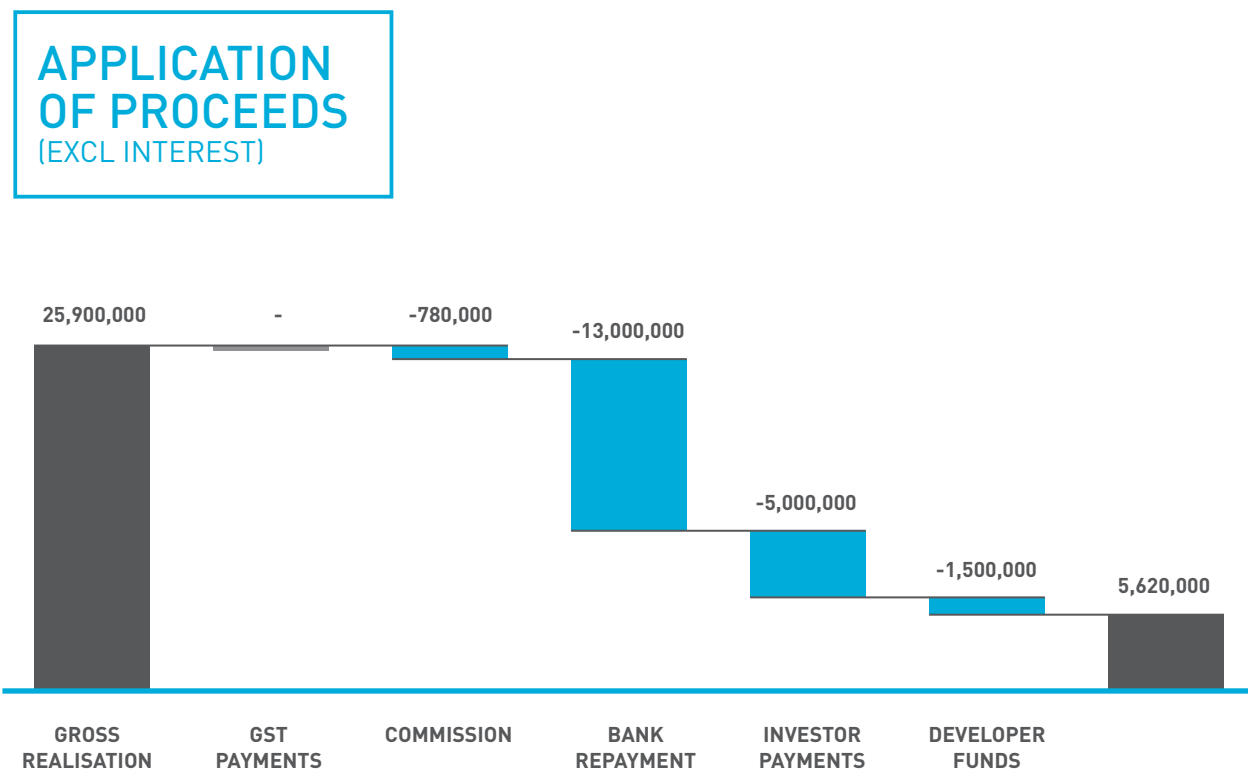
The Fund retains the services of Madison Partners to act as business advisory and tax advisors. Madison Partners provides the breadth of accounting and advisory services necessary for the Fund with property development business specialists. Madison Partners are engaged to ensure the Fund addresses any reporting, tax and auditing obligations of the Fund.

PROCEEDS WATERFALL

As demonstrated by the graph below, the priority in which funds are applied are such that return of capital and payment of distributions to Unitholders occurs immediately after the Property Developer’s external bank debt secured by the Property (if any) and before any return to the Property Developer.

The numbers used in the illustrative graph are based on the feasibility provided in this Memorandum and assumes \$13.0m of bank debt is obtained by the Property Developer. In relation to external bank funding, the maximum loan to value ratio is not expected to exceed 75% of the as if complete valuation of the Property (excluding the loans to be provided by the Fund) as and when such valuation is required by the external bank finance provider (and drawdown subject to minimum pre-sales conditions).

Conceptually, investors are insulated to an extent against lower than expected gross realisations or higher than expected development costs to approximately \$3,456,000. This is because \$5,620,000 represents the forecast profit before interest payments. After allowing for these interest payments, the forecast profit is \$3,456,000. Accordingly, on this basis, the Project may absorb an adverse outcome of up to \$3,456,000 before investors returns in terms of interest payments are affected.



BENEFITS OF INVESTING

INTRODUCTION

The Fund offers investors an opportunity to participate in a property development project of a scale not typically available to an individual investor and to achieve a target returns on their investment.

Furthermore, the opportunity does not require the individual investor to have personal skills and experience relating to property development as an experienced project manager is appointed to manage the carrying out and marketing of the development.

The key benefits of this project development are summarised below.

KEY BENEFITS

Identifiable asset

Unlike broad property funds where investment managers make decisions relating to particular investments, the investor has clarity and transparency over the actual Fund's particular investment.

Validated development

A pre-application meeting has taken place with council and feedback received which has been implemented into the planning application design. The planning application is well progressed and has been submitted to council for approval. Feasibility costings have already been undertaken and sales forecasts have been underpinned through existing pre-sales.

Scaled access

Variable investment depending on investor's appetite and through pooling of monies through the Fund, opportunity to participate in larger development sites

Co-commitment

Confidence that the Project Manager has a vested interest in the property development as associated parties of the Project Manager have equity interests in the Property Developer.

Proven team

Experienced management team with track record in delivering successful property developments for over 16 years.

ABOUT ZAP PROPERTY GROUP

The ZAP Property Group Pty Ltd (ZAP) and its representatives fulfil a number of roles surrounding the Project.

ZAP is the Investment Manager for the Fund as is involved in raising capital which will be lent to the Property Developer to fund the Project. ZAP is also the Project Manager engaged by the Property Developer to manage the carrying out of the development.

With projects of this type, an experienced management team with an established track record is illustrative of ZAP's capability and competency to deliver the intended project outcomes. Below is a selected summary of that experience.

For more information please refer to ZAP's website at:
zaproproperty.com.au

PREVIOUS EXPERIENCE¹

NICHE

31-33 Park St, South Melbourne

- Purchased with a commercial building of 410 square metres
- Purchased with a planning permit in place for 38 apartments
- Re-working the planning permit via “minor” amendments through City of Port Phillip to – targeting owner occupiers
- Gross Realisable Value – budget \$35,500,000



¹ The following projects are provided as examples of projects undertaken by ZAP. These projects are not associated with the Fund and are not intended to reflect the Project



YORK + HIGH

283-289 High St, Prahran

- Purchased with 4 retail buildings of 537 square metres
- Purchased with a planning permit in place for 31 apartments and 4 shops
- Re-working the planning permit via “minor” amendments through City of Boroondara – targeting owner occupiers
- Gross Realisable Value – budget \$21,000,000

ROSE APARTMENTS

19-23 Rose St, Fitzroy

Start Date 2014

Finish Date 2016

- Purchased as a cleared block of 700 square metres
- Purchased with a planning permit in place for 14 apartments
- Re-worked the planning permit via “minor” amendments through Darebin City Council to achieve 14 luxury apartments targeting owner occupiers
- Builder was engaged at a fixed price contract of \$4,000,000
- Gross Realisable Value of the 14 apartments was \$10,500,000
- Total development cost of \$8,000,000
- Sold 14 apartments off the plan at an average price of \$750,000





LUMIERE



22 French Ave Northcote
Start Date 2012
Finish Date 2014

- Purchased as a cleared block of 2,560 square metres
- Planning permit in place for 23 x 2 & 3 level townhouses
- Re-worked the planning permit via “minor” amendments through Darebin City Council
- Builder was engaged at a fixed price contract of \$5,900,000
- Gross Realisable Value of the 23 townhouses was \$18,000,000
- Total development cost of \$13,500,000
- Sold x21 of the townhouses off the plan at an average price of \$690,000 and retained x2 townhouses as investments properties

THE LYRIC THEATRE

2a Michael St Brunswick

Start Date 2010

Finish Date 2012

- This development was built within the shell of the Lyric Theatre in Brunswick. This is a heritage listed building which was the last black and white picture theatre built north of the Yarra River.
- Purchased as a shell on a 900-square metre block
- Purchased with a planning permit in place for 33 x 4 level apartments
- Re-worked the planning permit via “minor” amendments through Moreland City Council
- Builder was engaged at a fixed price contract of \$5,500,000
- Gross Realisable Value of the 33 apartments was \$12,600,000
- Total development cost of \$9,000,000
- Sold 33 of the apartments off the plan at an average price of \$400,000





THE GRAINSTORE



1-7 Colebrook St Brunswick
Start Date 2007
Finish Date 2009

- This property development used the existing main structure of the clear span bluestone warehouse situated at 1 - 7 Colebrook St, Brunswick. It had solid existing bluestone walls, a concrete slab and solid roof structure. These are all facets that were incorporated into the development.
- Purchased as a bluestone building (Heritage listed) on a 3000-square metre block
- Purchased with a planning permit in place for 22 x 2 level townhouses
- Re-worked the planning permit via "minor" amendments through Moreland City Council
- Builder was engaged at a fixed price contract of \$4,000,000
- Gross Realisable Value of the 22 townhouses was \$13,500,000
- Total development cost of \$10,000,000
- Sold 22 of the townhouses off the plan at an average price of \$570,000

RISK FACTORS

INTRODUCTION

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

Before investing, prospective investors should consider whether the Fund is a suitable investment, having regard to their personal investment objectives, financial position, and particular needs and circumstances. Investors should also consider and take into account the level of risk with which they are comfortable, the level of returns they require, as well as their frequency and nature, and their investment time horizon. Investors should seek professional advice in setting their investment objectives and strategies.

The risks described below are not exhaustive and whether a risk is specifically referred to in this section or not, that risk may have a material effect on the performance and value of the Fund. Importantly, investors should note that the value of an investment in the Fund, and income received by investors, may rise or fall and, consequently, investors may suffer losses (including the loss of all of their capital investment in the Fund).

GENERAL INVESTMENT RISKS

DIVERSIFICATION RISK

The Fund will be exclusively financing a real estate development, being the Project. As such, the Fund will not be diversified by sector, geography or number of investments and the Fund will be exposed to any events which have an adverse effect on the value of the underlying asset of the Project.

LIQUIDITY RISK

The Fund is an illiquid investment and an investment in the Fund should be viewed as illiquid. There is currently no secondary market for Units in the Fund and it is unlikely that any active secondary market

will develop. There are substantial restrictions upon the transferability of Fund interests under the Trust Deed and applicable securities laws.

You should only consider an investment in this Fund if you are not likely to require access to your investment in the medium term.

TAX RISK

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

GENERAL MARKET CONDITIONS

A number of factors outside the Investment Manager's control may significantly impact on the Fund, its performance and the value of its Units. These factors include economic conditions in Australia and internationally; changes in fiscal, monetary and regulatory policies such as inflation and interest rates, and attitudes to property as an investment class. Investors should recognise that the financial performance of the Fund could be negatively affected by, but not limited to, any of the above factors which in turn may affect the returns achieved from the Project.

PROPERTY MARKET

The property market is generally subject to forces which may result in the fluctuation of the value of the property and other associated costs. If the property market moves adversely during the duration of the Project, then this may affect the Project revenues and the ability of the Property Developer to meet its obligations under the LFA to the Fund. The impact of property performance is dependent on many factors including both economic and demographic factors which are not possible to be clearly assessed at this or any future stage.

PERFORMANCE RISK

Neither the Investment Manager, its officers, members, nor any person associated with the Manager guarantee the performance of the Fund or the performance of the Units offered under this Memorandum.

The business activities of the Fund are subject to risks and there are many factors which may impact

the future performance of the Fund. These risks are both specific to the Fund and also relate to the general business and economic climate. These risks should be considered carefully by investors before making a decision to apply for Units as they may adversely affect the value of the Fund's assets and Units. Although the Investment Manager adopts appropriate risk management systems to mitigate against the risks, it is not possible to protect against all risks.

The principal risks include, but are not limited to, those detailed below. Prior to making an investment decision, investors should consider the following risk factors, as well as the other information in this Memorandum.

SPECIFIC FINANCIAL RISKS

ASSUMPTIONS

The financial projections are based on a number of assumptions of which some are subject to change. The Property Developer uses its best endeavours to ensure the assumptions are as realistic as possible, including the use of independent expert reports, but is unable to guarantee the accuracy of the projections.

INTEREST RATES

Interest rates on loan finance in the financial projections have been assumed at 7.50% over the Investment Term. Should interest rates move upward this may increase the overall interest costs to the Property Developer and similarly where interest rates move down, interest costs may reduce. The Property Developer may fix the interest rate on a portion of the borrowings to reduce the impact of interest rate movements.

LOAN FINANCE

The Property Developer may undertake borrowings from an external bank. The use of debt funding entails a number of specific risks. Debt funding will generally be secured against the property. A default under the loan documents may lead to the lender enforcing their security and selling the secured assets for a price lower than that which

might otherwise have been achieved in normal circumstances.

The term of the debt facilities may be for a term less than the Investment Term, or subject to review by the financiers within its term. If this occurs, there is a risk that the Property Developer may not be able to renew the debt facility on the same or better terms or at all.

FUNDING RISK

At the time of the issue of this Memorandum, the Property Developer has not yet secured the debt finance for the Project and it is not expected to be in place at the time Units are issued.

There is a risk that the funding expected to be raised will not be raised which may mean that the Project will not proceed. Should this occur investment monies (after costs) will be returned to Unitholders.

SECURED CREDITOR PAYMENTS

At completion of the Project, the ability of the Property Developer to repay secured creditors (such as financiers) and other creditors, including the Fund, will depend upon there being sufficient funds (capital and profits) available to do so. If there is a shortfall, the claims of creditors (including financiers) will take priority over those of the Fund.

STAMP DUTY AND OTHER TAXES

Changes to federal and state taxation laws, in particular stamp duty, can impact on the general supply and demand for properties. For the purposes of this Memorandum, it is assumed that relevant stamp duty and taxation laws remain unchanged for the life of the Project.

Changes to federal and state taxation laws or their interpretation may adversely impact the income of the Fund and the returns Investors.

EARLY REPAYMENT

Early repayments by the Property Developer of loan monies from the Fund will impact on the expected returns of the Fund.

SPECIFIC PROPERTY RISKS

DEVELOPMENT APPROVALS

The Property Developer has applied for permits. However, changes to the requirements of the City of Moreland or any other government or regulatory department or authority for any reason, including archaeological, ethnographic, heritage, environmental, geotechnical, unidentified flora or fauna species, native vegetation, areas of public open space and planting buffers to arterial roads may reduce the yield estimated by the consultant town planner and hence the future return to Investors.

ENVIRONMENTAL IMPACT

As part of the sub-division approval process, the Project may be subject to relevant environmental conditions. In the event that the satisfaction of these conditions is delayed, this may impact the timing and amount of income projected to be achieved from the Project and may also impact the cost for development as projected.

Under various environmental laws, the Property Developer may be liable for the cost of removal or remediation of hazardous or toxic substances on, under or emanating from the Project assets. Environmental laws may also become more stringent.

PROPERTY YIELD

A planning application has been submitted to council and any changes to the existing application, could have a negative impact on the Project revenue for the Property Developer.

ENGINEERING

No critical constraints were identified through the due diligence process. However, there is a risk that any issues which were not identified during due diligence could delay the Project and reduce the projected returns for the Project

DEVELOPMENT COSTS

Development costs may differ from those projected. This may result in the property being uneconomic to

develop or less profitable to develop and reduce the projected returns for the Property Developer. Net realisations from sales may be insufficient to cover construction and all finance costs. The Property Developer and Project Manager have used cost estimates from multiple construction companies in projecting the likely costs and its own experience in expected rise in costs over the time of the investment.

BUILDER/CONTRACTOR RISKS

The Property Developer will enter into a design and construct contract with an experienced Builder with a proven track record of delivering on budget and on time projects. The Property Developer believes that the builders tendering have the experience and knowledge relevant for this Project.

PROJECT DURATION

The duration for completion of the Project may exceed the expected duration. This may have a negative effect on the cash flows for the Project affected by the timing delays and accordingly the returns to Unitholders in the Fund.

SALES PRICES

The properties may not achieve the projected sale prices resulting in a reduced level of Project revenue. This could adversely affect returns to the extent that net realisations from sales may be insufficient to cover construction and all finance costs.

SELLING RATES

The projected selling rates may not be achieved and this results in an extended Investment Term. The effect of this would be that certain holding costs including rates, taxes and interest will increase, which may adversely affect the forecast Project outcome. It will also extend the period of time over which Unitholders receive this return. The rate of sale will vary depending on economic circumstances over the course of development. An average sales rate has been assumed, however in any given year, the actual sales rate may fluctuate above or below the assumed sales rate. The extended selling period may however not be detrimental to revenue where a delay in selling a lot may result in higher prices being achieved. This may have an impact on the average annual return, depending on the timing and size of the price fluctuations.

PURCHASER DEFAULT

Purchasers who enter into contracts in relation to the sale lots may default in the performance of those contracts. Although the non-refundable deposit paid by these purchasers will generally be retained, it is possible that the property in question may not be able to be resold for the same contract amount.

VALUATION RISK

The Fund Investment Manager has relied upon the Property Developer's feasibility calculations underpinned by external consultants inputs as to expected sales and costs. A formal valuation has not been undertaken and accordingly, there are no risks associated with the fact that the valuation may be inaccurate or that the valuer who provides an inaccurate valuation does not have or no longer has adequate professional indemnity insurance to cover the valuation being relied upon. Formal valuation is only anticipated to be undertaken on an as if complete basis as and when required by an external bank finance provider.

NATURAL DISASTERS

The Project could be damaged or delayed by flood, fire or some other natural or man-made disaster. The Investment Manager has ensured appropriate insurance policies over the Project have been taken out but it is not possible to insure against some of these risks.

SPECIFIC FUND RISKS

OPERATING HISTORY

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

MANAGER RISK

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

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

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

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

FEES AND EXPENSES

The Fund will incur fees and expenses regardless of whether the Project is successful. The Fund will pay Investment Manager fees, Trustee fees and administration fees whether or not it receives its returns. There can be no assurance that the Fund will be successful in being able to recover these fees and expenses from a successfully closed investment. These amounts may be significant and could have an adverse impact on the return that Investors might otherwise realise.

FEES AND EXPENSES

The table below summarises the fees and expenses charged to Investors.

Entry Fees	Nil
Exit Fees	Nil
Performance Fees	Nil
Investment Manager	The Investment Manager will charge an annual fee not exceeding \$8,000 plus GST per annum to the Fund assets. This reflects a cost recovery for the Investment Manager in maintaining the corporate authorised representative appointment under an AFSL.
Trustee	The Trustee is entitled to a once-off fee of \$5,000 plus GST on establishing the Fund and an ongoing trustee fee calculated as a percentage of the funds under management determined on the following scale:

Funds Under Management	Rate (per annum)
\$0 - \$50 million	0.25%
\$50 million - \$100 million	0.08%
\$100 million - \$150 million	0.06%
\$150 million or above	0.04%

The trustee fee is paid quarterly in arrears and is subject to a minimum of \$18,000 plus GST.

These fees to be borne by the Fund represent the cost of the Trustee providing its trustee services.

Fund Administration	All expenses properly incurred in the operation of the Fund are reimbursable out of the Fund's assets.
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These are expense recovery costs and typically include day-to-day expenses such as administration costs, registry costs, printing and professional fees relating to audit, accounting, tax and legal services

Unless otherwise state, all fees quoted in this Memorandum are exclusive of GST.

The payment of the above fees and expenses take precedence over payment of distributions to Unitholders.

The Trustee and the Investment Manager may change the fees and expenses charged to investors by giving written notice to investors, subject to any fee limits in the Trust Deed.

Subject to the Corporations Act, the Trustee may agree with any Unitholder any fee arrangements with that Unitholder which are different to the fees set out in this section.

HOW TO INVEST

Applications must be made on the Application Form attached to this Memorandum. An Application Form must not be provided to a third party unless it is attached to, or accompanied by, this Memorandum.

All relevant sections of the Application Form must be completed. If you have any queries with completing the Application Form please contact the Investment Manager for ZAP Finance Fund No 2 on 0417 571 667 or **cwoerndle@zaproproperty.com.au**.

The following is a guide to help complete the Application Form.

APPLICATION AMOUNT

Applications are to be for a minimum initial amount of \$100,000. The Trustee has discretion to accept smaller amounts. All investors will need to qualify as a Wholesale Investor. The Trustee of the Fund, MSC (Trustee) may vary these minimum investment amounts from time to time

APPLICANT DETAILS

Applications must only be in the name of a natural person or persons, companies or other entities acceptable to the Trustee. All account designations are to use "<>" notations. Please refer to the table below for the correct form of application names.

INVESTOR	INSTRUCTION	EXAMPLE	SIGNATURES
Individual	Use full names only	Mary Jane Smith	Signature of each applicant
Company	Use full company title	Smith Corporation Pty Ltd	by two directors, or <ul style="list-style-type: none">• by a director and a secretary, or• if there is only one director by that sole director
Trusts	Use name of trustees with the trust name in brackets	Smith Corporation Pty Ltd <Smith Family Trust>	<ul style="list-style-type: none">• signature of each trustee/individual• if trustee is a company see above
Superannuation Funds	Use names of trustees with the fund name in brackets	Smith Corporation Pty Ltd <Super Fund A/C>	<ul style="list-style-type: none">• signature of each trustee• if trustee is a company, see above
Partnerships	Use full partner names	Mary Smith and Sally Smith <Smith Sisters A/C>	signature of each applicant
Deceased Estates	Use executor(s) personal names, do not use name of deceased	John Smith <Est Jane Smith A/C>	signature of the executor
Minor	Use name of parent/guardian	Mary Jane Smith <Mary Jane Smith>	signature of each trustee/ <ul style="list-style-type: none">• individual• if trustee is a company see above

If you wish to invest in the Fund and you are an association, foreign company or government body, you will need to contact the Trustee about completing a different application form.

CONTACT DETAILS

Please insert contact details for all applicants. Correspondence regarding investment in the Fund will be sent to the address provided.

TAX FILE NUMBER

Please insert the tax file number of each applicant. Although applicants do not legally have to provide their tax file number to the Trustee, the Trustee may be required to deduct amounts from distributions to those applicants who do not provide tax file number details.

HOW DO YOU QUALIFY AS A WHOLESALE INVESTOR

If you are not investing as the trustee of a superannuation fund (including self-managed superannuation funds), and apply for \$500,000 or more, you'll be automatically deemed a Wholesale Investor and no additional documentation is required.

If you are an Australian investor investing less than \$500,000 or a trustee of an Australian superannuation fund, additional documentation will be required to certify that you are a Wholesale Investor in the form of:

An accountant's certificate

A copy is provided in the Memorandum that requires the accountant to certify that the proposed Unitholder has net assets of at least A\$2.5 million or gross income for each of the last two financial years of at least \$250,000.

OR

A STATUTORY DECLARATION

The statutory declaration must state that the proposed Unitholder is a trustee of a superannuation fund within the meaning of the superannuation industry (supervision) act 1993 with net assets of at least \$10 million OR controls at least \$10 million (including any amount held by an associate or under a trust that the investing entity manages) OR is a manufacturer and employs 100 or more people, or the investing entity is not a manufacturer and employs 20 or more people OR holds an Australian Financial Services Licence OR is a 'professional investor' as otherwise defined in the Corps Act.

PAYMENT

Cheques should be made payable to: 'Melbourne Securities Corporation Limited ATF ZAP Finance Fund No 2' for the value of Units subscribed for and attached to the application form.

Alternatively, electronic transfers may be made directly into the bank account of the Fund, whose details are listed on the application form attached to this document.

Applications will not be processed by the Trustee without an accompanying payment or confirmation of payment advice.

LODGEMENT

Application forms should be forwarded to:

To: ZAP Property Group Pty Ltd

**Address: 724 Mount Alexander Road,
Moonee Ponds Victoria 3039**

Telephone: 61 417 571 667

Email Address: cwoerndle@zapproperty.com.au

COOLING OFF PERIOD

There is no cooling off period. Once an application has been received by the Trustee and accepted, the applicant is bound to become a Unitholder. The Trustee reserves the right to accept or reject applications at its absolute discretion.

If an application is rejected, the Trustee will repay the application money to the applicant, less any applicable taxes and bank fees. Any interest earned on the application money will not be paid to the applicant.

ACCOUNTANT'S CERTIFICATE

TO WHOM IT MAY CONCERN

For the purposes of section 761G(7)(c) of the Corporations Act 2001, I certify that:

(name)

of (address)

.....

has:

1. Net assets of at least \$2.5 million (including assets held by companies or trusts which he/she controls);

Or

2. A gross income for each of the past two financial years of at least \$250,000 (including income of companies or trusts which he/she controls).

The expression "control" is defined in section 50AA of the Corporations Act 2001.

Signature qualified accountant.....

Name of qualified accountant.....

Qualification

Date

Note 1: The provider of the financial product or financial service must ensure that the product or service is provided within 24 months after the date of this certificate, otherwise a new certificate is required.

Note 2: The effect of this certificate is that the named person and each company or trust controlled by him/her satisfies the test in section 761G(7)(c) to qualify as a "wholesale client" for the purpose of providing to this person or a company or trust which he/she controls a financial product which is not, or a financial service which does not relate to, a general insurance product, a superannuation product or a retirement savings account product.

TAXATION

Below is a general summary of taxation implications. Investors will need to consider this in light of your personal circumstances. Investors should seek their own taxation advice prior to investing in the Fund.

None of the Trustee, the Fund Manager or their related parties, officers, employees, consultants, advisers or agents accepts any responsibility or liability for any taxation consequences incurred by a Unitholder as a result of investing in the Fund. Changes in general taxation law may adversely affect returns to investors.

AUSTRALIAN TAX RESIDENT INVESTORS

Unitholders may need to include a share of any net taxable income of the Fund in their assessable income for each year.

To the extent that a Unitholder's share of the income of the Fund is attributable to a capital gain made by the Fund, the Unitholder will be treated as having made a capital gain equal to that amount. If such an amount is a discount capital gain, the Unitholder is treated as making a discount capital gain equal to twice the amount that is attributable to the discount capital gain.

Individuals, trusts and complying superannuation entities investors may be entitled to reduce the discount capital gain portions of distributions where they have held Units for at least 12 months. The CGT discount for an individual or trust is 50%, and for a complying superannuation entity is 33⅓%.

Where the cash distribution that a Unitholder receives exceeds their share of the net income of the Fund, the excess may not be included in their assessable income in the income year received. A non-assessable cash distribution component that is not referable to a discount capital gain is commonly referred to as a tax deferred distribution. A tax deferred distribution received will result in a reduction in the cost base of Units. The investor will make a capital gain equal to the amount by which the tax deferred distributions received for an income year exceed the Unitholder's remaining cost base in those Units.

If required, unitholders will be provided with a distribution and taxation statement each year outlining the various components of the distribution. For example the components of the distribution may include dividends, trading or capital gains, tax deferred income, any taxes withheld or franking credits attached.

Unitholders who hold their Units on capital account may make a capital gain or capital loss on disposal or redemption of their Units in the Fund. Capital gains made by individuals, trusts and complying superannuation entities on the disposal or redemption of Units may be reduced by the CGT discount where the Units disposed of or redeemed have been held for more than 12 months.

The CGT discount for an individual or trust is 50%, and for a complying superannuation entity is 33⅓%. Unitholders should seek their own taxation advice in relation to the capital gains implications that arise on disposal or redemption of Units.

Unitholders are allocated a number of Units in a Class of the Fund. Any reclassification of the Class of Units affected at the end of a financial year for administrative purposes will result in a disposal for CGT purposes.

Given the above, Australian resident investors will generally be entitled to roll-over relief under section 124-245 of the Income Tax Assessment Act 1997.

FOREIGN TAX RESIDENT INVESTORS

This summary does not address the Australian tax implications for non-Australian resident investors.

In addition to any Australian tax implications, non-Australian resident investors need to consider the tax implications of countries in which they are resident.

GOODS AND SERVICES TAX (GST)

The Fund will be registered for GST. GST will not be imposed on the application for, or redemption of Units in the Fund or on any distributions from it. However, the services for which any fees are payable under Section 11 of this Memorandum are likely to be subject to GST. The Fund is unlikely to be entitled to claim a full input tax credit for any GST paid on fees and other costs payable by it. However, the Fund may be entitled to claim a reduced input tax credit (RITC) of the GST payable in respect of certain expenses.

TAX FILE NUMBER (TFN) OF AUSTRALIAN BUSINESS NUMBER (ABN)

You should advise us of your TFN, ABN or alternatively provided exemption details when you make an application to become an investor. If you do not advise us of your TFN, ABN or alternatively provided exemption details, you may have tax deducted from your distributions at the highest marginal tax rate plus the Medicare Levy and the Deficit Repair levy.

ATTRIBUTION MANAGED INVESTMENT TRUSTS (AMITS)

A managed investment trust (MIT) is a type of unit trust in which members of the public collectively invest in passive income activities and members are generally tax as set out above. As a result of recent tax changes, eligible MITs may elect that a new alternative taxing regime apply to them. MITs that elect into the new regime are referred to as attribution managed investment trusts (AMITs).

The Trustee has advised that it does not intend to make the necessary election and accordingly, the taxation treatment will be as set out above under the default existing applicable tax rules.

ADDITIONAL INFORMATION

MATERIAL DOCUMENTS

TRUST DEED

The Trust Deed is the primary document that governs the way the Fund operates and sets out many of the rights, liabilities and responsibilities of both the Trustee and Unitholders.

The Trust Deed permits the Trustee to issue separate Classes of Units. The Trustee intends to issue a separate Class of Units for each Unitholder. Each Unit gives you an equal and undivided interest in the assets attributable to that Class of Units in the Fund.

Subject to the Trust Deed, as a Unitholder you have the right to share in any distributions from income attributable to assets of that Class, the right to attend and vote at meetings of Investors and the right to participate in the proceeds attributable to the Unit Class on winding up of the Fund.

The Trust Deed contains provisions about convening and conducting meetings of Unitholders.

The Trustee can amend the Trust Deed without the approval of Investors provided it reasonably considers the changes will not adversely affect your rights. The Trust Deed can also be amended by a special resolution passed by Unitholders.

A copy of the Trust Deed is available free of charge by contacting the Trustee on +613 8352 7120 or by email at trustee@melbournesecurities.com.au.

MANAGEMENT AGREEMENT

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

The Investment Management Agreement sets out the Investment Manager's obligations to the Trustee and to the Fund. The agreement also contains the fees payable to the Investment Manager for its services.

The Investment Management Agreement will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance

with its provisions. The agreement can be terminated by the Trustee if the Investment Manager is in material breach of the agreement, and that breach has not been remedied after a certain time. There are also provisions allowing the Trustee and Investment Manager to terminate if, for example, either party becomes insolvent.

CORPORATE AUTHORISED REPRESENTATIVE AGREEMENT

The Investment Manager is a corporate authorised representative (CAR: 1265012) of MSC Advisory Pty Ltd ACN 607 459 441 (AFSL 480649).

The Investment Manager's authorisation is limited to its role as Investment Manager of the Fund and does not extend to any other business that the Investment Manager conducts, or services that the Investment Manager provides.

In addition, the only individuals within the Investment Manager who are authorised to provide general financial product advice in relation to the Fund are Giulio Zappone and Carl Woerndle.

LOAN FACILITY AGREEMENTS

The Loan Facility Agreements (LFA) are the agreements entered into between the Fund and the Property Developer under which the funds from the issue of a Class of Units to a Unitholder is advanced to the Property Developer.

Under the LFAs, the Property Developer is liable to pay interest to the Fund on the monies advanced and to repay the capital advanced in accordance with the LFA terms. These receipts form the basis of the distributions to each respective Unitholder.

TRUSTEE LIMITATION OF LIABILITY

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

DISCLOSURE ON INTERESTS

The Trustee, the Investment Manager or their related entities may also acquire Units on the same terms and with the same rights as the other Investors in the Fund.

This Memorandum should be read in conjunction with the Trust Deed, which is available upon request from the Trustee.

RELATED PARTY TRANSACTIONS

The Trustee and the Investment Manager and their related parties may engage in related party transactions provided that such transactions are in the best interests of Unitholders.

By making an investment in the Fund, Unitholders acknowledge that the Fund will be providing financing to the Property Developer, a related party of the Investment Manager. Unitholders further acknowledge that the debt instruments provided to the Property Developer may not be on arm's length terms and that they have made their own independent investigations to satisfy themselves of the benefit of entering into those debt instruments.

Unitholders acknowledge that the Investment Manager is also the appointed Project Manager for the Project entitled to project management fees from the Property Developer for carrying out and managing the development.

In addition, the directors and/or shareholders of ZAP have an interest in the Property Developer, either directly or through associated entities.

ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING (AML-CTF)

As a part of the application, investors will be required to provide client identification materials to comply with Anti-Money Laundering and Counter Terrorism Financing legislation.

In addition to the client identification material and documents required to be sent with an investor's application form, the Trustee may require further information or documentation from an investor at

any time in order to satisfy obligations under Anti-Money Laundering and Counter Terrorism Financing legislation.

COMMON REPORTING STANDARDS (CRS)

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

The Trustee will be a 'Reporting Financial Institution' under CRS and intends to comply with its CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain investors to the ATO or other foreign tax authorities as required.

To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable).

FATCA

In compliance with the United States income tax laws commonly referred to as the Foreign Account Tax Compliance Act and the Intergovernmental Agreement signed between the US and Australian Governments in April 2014 in relation to FATCA, the Fund will be required to provide information to the Australian Tax Office (ATO) in relation to Unitholders that are:

- US citizens or residents;
- entities controlled by US persons; and
- financial institutions that do not comply with FATCA.

Where investors do not provide appropriate information to the Fund, the Fund will also be required to report those accounts to the ATO.

GLOSSARY

ABN	means Australian Business Number.
AFSL	means Australian Financial Services Licence.
AMIT	means attribution managed investment trust.
AML/CTF ACT	means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.
ASIC	means the Australian Securities and Investment Commission.
ATO	means the Australian Tax Office.
AUD	means the Australian dollar.
AUSTRAC	means the Australian Transaction Reports and Analysis Centre.
BUSINESS DAY	is a day on which banks are open for business in Western Australia, excluding a Saturday, Sunday or public holiday.
CAR	means corporate authorised representative.
CLASS	means a class of Units in the Fund
CORPS ACT	means the Corporations Act 2001 (Cth).
DISTRIBUTIONS	means the distribution of net income of the Fund.
FUND	means the ZAP Finance Fund No 2, a unit trust established under the Trust Deed.
GST	means goods and services tax.
INVESTMENT MANAGER	means ZAP, which has been appointed as the manager of the Fund.
INVESTMENT TERM	means the timeframe for the Property Developer to complete the Project and realise sales. The expected investment term is approximately 30 months.
LFA	means the loan facility agreement entered into between the Trustee and the Property Developer
MEMORANDUM	means this Information Memorandum issued by the Trustee dated 6 June, 2018
MIT	means managed investment trust.
MSC	means Melbourne Securities Corporation Limited (ACN 160 326 545) holding AFSL 429289
MSCA	means Melbourne Advisory Pty Ltd (ACN 607 459 441) holding AFSL 480649
PROJECT	means the development of the CONO Business Park.

PROJECT MANAGER	means ZAP, which has been appointed to manage the Project.
PROPERTY	52 Bakers Road, Coburg North, Victoria.
PROPERTY DEVELOPER	means ZAP Property 2 Pty Ltd as trustee for the ZAP Property Trust 2.
RECIPIENTS	means parties who are invited to evaluate the opportunity to acquire Units within the Fund.
TFN	means Tax File Number.
TRUST DEED	means the trust deed for the ZAP Finance Fund No 2 created by the deed dated 13 June, 2018.
TRUSTEE	means MSC.
UNIT	means a unit in the Fund created under the provisions of the Trust Deed and held by a Unitholder.
UNITHOLDER	means an investor in the Fund.
WHOLESALE INVESTOR	means an eligible wholesale client as defined by section 761G the Corps Act.
ZAP	means ZAP Property Group Pty Ltd (ACN 099 261 962).

DIRECTORY

INVESTMENT MANAGER

ZAP Property Group Pty Ltd
724 Mount Alexander Road
Moonee Ponds Victoria 3039
Australia

Telephone: +61 417 571 667 (International)
Email: cwoerndle@zaproproperty.com.au
Internet: www.zaproproperty.com.au

TRUSTEE

Melbourne Securities Corporation Ltd
Level 2 Professional Chambers, 120 Collins Street
Melbourne Victoria 3000
Australia

Telephone: +61 3 9693 9000 (International)
Facsimile: +61 3 9225 5050
Email: trustee@melbournesecurities.com.au
Internet: www.melbournesecurities.com.au

FUND LEGAL ADVISORS

Hall and Wilcox
Level 11, Rialto South Tower, 525 Collins Street
Melbourne VIC 3000
Australia

Telephone: +61 3 9603 3555
Facsimile: +61 3 9670 9632
Email: information@hallandwilcox.com.au
Internet: www.hallandwilcox.com.au

FUND ACCOUNTANTS

Madison Partners
Level 2, 75 River Street
Richmond Victoria 3121
Australia

Telephone: +61 3 9257 8100 (International)
Facsimile: +61 3 9257 8101
Email: admin@madisonpartners.com.au
Internet: www.madisonpartners.com.au

APPLICATION FORM

This Application Form relates to the application for Units in ZAP Finance Fund No 2 (Fund) under the Information Memorandum (Memorandum) issued by ZAP Property Group Pty Ltd ACN 099 261 962 (Investment Manager) as the investment manager of the Fund.

This form must be accompanied by the Memorandum when provided to any person. Unless otherwise defined, capitalised terms in this Application Form have the meaning given to them in the Memorandum.

Please use black pen and print in CAPITAL LETTERS and where appropriate

CONTACT DETAILS

Please provide your contact details. If you have a financial advisor, we may contact your advisor first before contacting you about your application.

Title

Given name(s)

Surname

Phone Email

Postal address

Suburb State Postcode

We will upload relevant information, updates, disclosure documents, forms and reports to our website [www.zaproperty.com.au/ZAP Property Group/Funds](http://www.zaproperty.com.au/ZAP_Property_Group/Funds) or send these to your email address nominated above. Should you wish to opt out of our electronic disclosure, please contact us on 61 417 571 667.

Are you an existing investor in a ZAP Finance fund?

Yes, please provide your investor code:

If you are an existing investor in another ZAP Finance fund and you are investing in the Fund under the same name, you do not need to complete section 3 of this Application Form or the Identification Form. After you complete section 2 of this Application Form go straight to section 4. If you are investing in the Fund under a different name, you need to complete all sections of this Application Form and complete the Identification Form.

INVESTMENT DETAILS

Minimum application is **\$100,000** The Trustee has discretion to accept smaller amounts. Payment details are detailed in section 5 of this Application Form.

Initial investment amount \$

Target investment return: %

Note: Target investment return should be discussed with the Investment Manager prior to completing this form.

INVESTOR DETAILS

INVESTOR TYPE	COMPLETE SECTIONS
Individual / joint holding	A + B
Unregulated trust ^{Note 1} with corporate trustee	C
Unregulated trust ^{Note 1} with individual trustee	A + D + E
Regulated trust ^{Note 1} with corporate trustee	C + D
Regulated trust ^{Note 1} with individual trustee	A + D
Other	Please contact us

Note 1: A Regulated trust includes a SMSF, registered retail managed investment scheme and a wholesale managed investment scheme that doesn't make small scale offerings. Other trusts are Unregulated Trusts.

A INDIVIDUAL INVESTOR OR INDIVIDUAL TRUSTEE

Title

Given name(s)

Surname

Date of Birth [DD] / [MM] / [YY]

Email

Residential address

.....

Suburb State Postcode

Are you an Australian resident for tax purposes?

if no specify country

TFN or exemption code (provide to ensure tax is not deducted)

Australian Driver's Licence No:

Are you a Politically Exposed Person ^{Note 2} **Yes | No**

Note 2: A Politically Exposed Person includes a head of state or government, government minister or senior politician, senior government official, judge, governor of a central bank or any other person who holds a position of influence with a reserve bank, senior foreign representative, high ranking member of the armed forces or board chair or senior executive of a state-owned enterprise or the immediate family member or associate of any such persons.)

B JOINT INVESTOR

Title

Given name(s)

Surname

Date of Birth [DD] / [MM] / [YY]

Email

Residential address

.....

Suburb State Postcode

Are you an Australian resident for tax purposes?

if no specify country

TFN or exemption code (provide to ensure tax is not deducted)

Australian Driver's Licence No:

Are you a Politically Exposed Person ^{Note 2} **Yes | No**

Note 2: A Politically Exposed Person includes a head of state or government, government minister or senior politician, senior government official, judge, governor of a central bank or any other person who holds a position of influence with a reserve bank, senior foreign representative, high ranking member of the armed forces or board chair or senior executive of a state-owned enterprise or the immediate family member or associate of any such persons.)

C COMPANY OR CORPORATE TRUSTEE

Full company name/ corporate trustee name/ sole trader business name

.....

ABN or TFN or TFN exemption.....

ACN

Registered office address (not a PO Box)

.....

Suburb State Postcode

Is the company/corporate trustee a proprietary or public company? **Proprietary | Public**

If you are proprietary company, provide the full name of each director

Director 1 name

Director 2 name

Director 3 name

Director 4 name

D TRUSTS

Trustee No. 1 Name

Trustee No. 1 Address

.....

Suburb State Postcode

Trustee No. 2 Name

Trustee No. 2 Address

.....

Suburb State Postcode

Are there additional trustees?

If Yes please attach a separate page to this application form with the details.

Trust name

ABN, TFN or TFN exemption

Type of trust

Country in which trust was established

Only complete the remaining part of section D if the trust is an Unregulated Trust ^{Note 1}.

Do the terms of the trust identify the beneficiaries by reference to membership of a class?

Yes, what are the terms?

OR

No, please provide the full name of each beneficiary

Are there additional beneficiaries?

Yes. Please attach a separate page to this application form with the details.

Full name of settlor of trust? ^{Note 3}

Note 1: A Regulated trust includes a SMSF, registered retail managed investment scheme and a wholesale managed investment scheme that doesn't make small scale offerings. Other trusts are Unregulated Trusts.

Note 3: You do not need to provide the name of the Settlor if the you are a Regulated Trust or if the settlor of the trust is now deceased or if the settlor contributed to the trust at the time of its establishment a material asset contribution of less than \$10,000.

E BENEFICIAL OWNERSHIP NOTE 4

Beneficial Owner 1 Note 4

Name.....

Date of Birth [DD] / [MM] / [YY].....

Residential address

.....

Suburb State Postcode

Are you a Politically Exposed Person Note 2 **Yes | No**

Beneficial Owner 2 Note 4

Name.....

Date of Birth [DD] / [MM] / [YY].....

Residential address

.....

Suburb State Postcode

Are you a Politically Exposed Person Note 2 **Yes | No**

Beneficial Owner 3 Note 4

Name.....

Date of Birth [DD] / [MM] / [YY].....

Residential address

.....

Suburb State Postcode

Are you a Politically Exposed Person Note 2 **Yes | No**

Beneficial Owner 4 ^{Note 4}

Name.....

Date of Birth [DD] / [MM] / [YY].....

Residential address

.....

Suburb State Postcode

Are you a Politically Exposed Person ^{Note 2} **Yes | No**

Note 2: A Politically Exposed Person includes a head of state or government, government minister or senior politician, senior government official, judge, governor of a central bank or any other person who holds a position of influence with a reserve bank, senior foreign representative, high ranking member of the armed forces or board chair or senior executive of a state owned enterprise or the immediate family member or associate of any such persons.)

Note 4: If a Beneficial Owner is not an individual, please provide the Beneficial Ownership of that entity as well. Beneficial Owner means an individual who ultimately 'Owns' or 'Controls' (directly or indirectly) the investor. 'Control' includes control as a result of, or by means of, trusts, agreements, arrangements, understandings and practices, whether or not having legal or equitable force and whether or not based on legal or equitable rights and includes exercising control through the capacity to determine decisions about financial and operating policies. 'Owns' means ownership (either directly or indirectly) of 25% or more of a person.

HOW WE MAKE PAYMENTS TO YOU

Please complete your bank account details below. Please note the account must be held in the name of the Applicant. All payments are calculated and paid in Australian dollars.

Direct all payments to the bank account nominated for my existing ZAP Finance fund investments (if you are an existing investor in another ZAP Finance fund).

Direct all payments to the bank account nominated for below.

Name of financial institution

Account name

BSB Account number

HOW TO PAY APPLICATION MONEY TO US

Payment details

These details are required so your payment can be matched to your Application Form. Please indicate which payment method you have used.

I am paying by (please choose one method only)

Electronic funds transfer

Please transfer funds electronically to the following account and send your completed application form to the Investor Registry

Bank:	Bank of Melbourne
Account name:	MSC Limited ATF ZAP Finance Fund No 2
BSB:	193-879 Account number: 414881194
Reference	(Name of Applicant)

It is important to include your name as reference. If we are unable to match your application to a payment your application may be delayed.

Cheque

Made payable to Melbourne Securities Corporation Limited ATF ZAP Finance 2 and crossed 'not negotiable'

ADVISER DETAILS (TO BE COMPLETED BY YOUR FINANCIAL ADVISER)

If you use a financial adviser and/or your financial adviser is providing us with your identification documents, please have them complete, sign and stamp this section to confirm they hold a current AFS License and are authorised to deal in or advise on managed investment products.

Adviser name

Adviser company.....

Assistant name

Adviser email

Adviser phone AFSL name.....

AFSL number Authorised representative number

Adviser signature and stamp.....

ADVISER PROFESSIONAL FEE

If you have negotiated a professional fee for service with your financial adviser, this section may need to be completed.

I/we request that MSC deducts a professional fee for service from my Application Amount as set out below. I acknowledge that this fee will be paid to my financial adviser as advised in this Application Form and that the balance of my Application Amount will be invested in the Fund.

Upfront professional fee for service

Insert amount \$

I / We nominate the Adviser as my/our nominated representative to act for me/us in relation to my/our investment(s) described in this Application Form, including (without limitation) investing and withdrawing from a Fund.

Yes | No

Signature 1

Name Date

Signature 1

Name Date

FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) DECLARATION (MANDATORY – FOR INDIVIDUALS, COMPANIES AND TRUSTS)

Individuals or joint investors **MUST** complete this section

Are you a United States (US) citizen or resident for tax purposes?

No: go to next question

Yes: you **MUST** complete this section for each Applicant

US TIN [First person, company or trust]

.....

US TIN [Second person].....

.....

Australian companies, trustees of Unregulated Australian trusts **MUST** complete this section

(Note dual-resident companies and trusts also need to complete this section)

Is the company / trust exempt for US purposes? **Yes | No**

Are you a financial institution, or a trust with a trustee, that is a financial institution?

No: go to next question

Yes: Please quote your Global Intermediary Identification Number (GIIN)

Global Intermediary Identification Number (GIIN)

Trusts

Please complete the section below for each settlor, trustee, Beneficial Owner of both the trust and corporate trustee (as relevant) that is a US citizen or resident of the US for tax purposes.

Companies

Please complete the section below for each director and Beneficial Owner that is a US citizen or resident of the US for tax purposes. If required, provide additional details on a separate sheet.

Full given name(s)

Surname

US TIN

Residential address (PO Box is not acceptable).....
.....

Suburb State Postcode

Country.....

Full given name(s)

Surname

US TIN

Residential address (PO Box is not acceptable).....
.....

Suburb State Postcode

Country.....

For any other Applicants (for example partnerships) we will contact you for further FATCA verification.

DECLARATION

Please read the Memorandum before signing the Application Form.

I/we declare and agree that:

- I/we have read the Memorandum dated 6 June 2018 for the Fund to which this application applies and have received and accepted the offer in it, in Australia. If I/we have received the Memorandum from the internet or other electronic means that I/we received it personally or a printout of it, accompanied by or attached to this Application Form.
- This application is not resultant of an unsolicited meeting with or telephone call from another person.
- My/our application is true and correct. If I/we do not provide all or part of the information required by the application form, the Trustee will not be able to accept my/our application and I/we will not be able to acquire Units in the Fund.
- I/we have legal power to invest. If investing as trustee on behalf of a superannuation fund or trust I/we confirm that I/we am/are acting in accordance with my/our designated powers and authority under the trust deed. In the case of superannuation funds, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act.
- If this is a joint application, each of us agrees, unless otherwise indicated on this application, that our investment is as joint tenants. Each of us who is able to operate the account will bind the other(s) to any transaction by any available method.
- I/we am/are bound by the provisions of the Trust Deed as amended from time to time and this Application Form.
- I/we acknowledge and agree that my/our investment in the Fund will be made via the issue of Units in the Fund and I/we acknowledge that an investment in the Fund does not represent an investment in or a deposit or other liability of the Investment Manager or the Trustee.
- I/we acknowledge that investments in the Fund are subject to the risks outlined in the Memorandum. Further, I/we acknowledge that none of the Trustee, the Investment Manager, any member of the Trustee and the Investment Manager or any of their officers, advisers, agents or associates in any way guarantee the performance of the Fund nor any return of capital.
- I/we acknowledge and agree that if I/we instruct the Trustee by electronic means (for example by email) I/we indemnify the Trustee all losses and liabilities arising from any payment or action the Trustee makes based on any instruction (even if not genuine) that the Trustee receives by an electronic communication which appears to indicate to the Trustee that the communication has been provided by me/us.
- I/we acknowledge that the Trustee and its related bodies corporate may disclose and use personal information as contemplated in the personal information collection in this application form and the Trustee's Privacy Policy available at www.zaproproperty/funds.com.au. By completing the application form you are providing personal information to the Trustee. Your personal information will be used to process your application and, if your application is successful, to administer and report on your Unit holding in the Fund and the progress of the Fund's activities. Your personal information may also be provided to other persons to enable the Trustee to provide these services to you (e.g. service providers, consultants, and advisers), or to persons that you authorise to act on your behalf in relation to your investment (e.g. your financial adviser, accountant or lawyer). We may also disclose your personal information to others as permitted under the law.
- I/we authorise the Trustee to give information relating to my/our account and investment in that account to

my/our adviser.

- If any of your personal details change please contact the Trustee at the address stated in this application form. You can also contact the Trustee to find out what personal information is held about you or if you have a complaint about the way in which your personal information has been handled.
- I/we will provide to the Trustee or its nominee any information that the Trustee reasonably requires in order to enable Trustee to comply with all its obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and its associated rules and regulations (in force from time to time). I/we acknowledge that the information collected by the Trustee (including in this application form) may be used for identification purposes, including via a third party verification service, to enable the Trustee to comply with all its customer identification obligations under the Act and associated rules and regulations referred to above.
- I/we will provide the Trustee or its nominee any information that the Trustee reasonably requires in order to enable Trustee to meet all of its compliance, reporting and other obligations under the United States of America Foreign Account Tax Compliance Act (FATCA) and all associated rules and regulations from time to time (including, without limitation, the Inter-Governmental Agreement (IGA) entered into between the governments of the US and Australia). Further, I/We understand that the Trustee may disclose such information to the Australian Taxation Office (ATO) who may in turn disclose the information to the US Internal Revenue Service (IRS).
- I/we understand that where I/we have provided the Trustee or its nominee with information about my status or designation under or for the purposes of FATCA (including, but without limitation, US residency or citizenship status and FATCA status as a particular entity type) and all associated rules and regulations, the Trustee will treat that information as true and correct without any additional validation or confirmation being undertaken by the Trustee except where it is under a legal obligation to do so.

If the application is signed by more than one person, who will operate the account:

Any to sign | All to sign together

Signature 1

Name Date Title

If a company officer or trustee, you MUST specify your title:

Director, Sole director and company secretary Trustee, Other (please specify)

Signature 2

Name Date Title

If a company officer or trustee, you MUST specify your title:

IDENTIFICATION FORM

If you have previously completed identification verification details for another ZAP Finance fund, and you are investing in the same name, you do not need to complete this form. If you have a financial adviser, you can complete this section or your adviser can complete section 6 of the Application Form. Otherwise, it is mandatory to complete this form and provide original certified copies of identification documentation for each Applicant.

Individual verification details - to be completed by each person listed in sections a, b and e of the application form. You do not need to complete this section if electronic verification permission has been given under 'electronic verification'

OPTION 1

PROVIDE ONE ORIGINAL CERTIFIED COPY OF **ONE** PRIMARY IDENTIFICATION DOCUMENT

- Valid Australian state or territory driver's licence containing a photograph of the person
- Australian passport (a passport expired within the preceding two years is acceptable)
- Card issued by a state or territory for proofing a person's age containing a photograph of the person
- Valid foreign passport or similar travel document containing a photograph and the signature of the person (and if applicable, an English translation by an accredited translator)

OPTION 2

PROVIDE **TWO** ORIGINAL CERTIFIED COPIES OF SECONDARY IDENTIFICATION DOCUMENTS, ONE FROM A AND ONE FROM B

Category A

- Australian birth certificate
- Australian citizenship certificate
- Foreign citizenship certificate
- Pension card issued by Centrelink
- Health card issued by Centrelink
- Valid Medicare card

Category B

- A document issued by the Commonwealth or a state or territory within the preceding 12 months that records the provision of financial benefits
- A document issued by the ATO within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or the Commonwealth to the individual), which contains the individual's name and residential address (block out any TFN references)
- A document issued by a local government body or utilities provider within the preceding three months which records the provision of services to that address or to that person (must contain the individual's name and residential address)
- Australian marriage certificate

COMPANY AND CORPORATE TRUSTEE VERIFICATION DETAILS - TO BE COMPLETED BY ALL ENTITIES WHO COMPLETED SUBSECTION C OF THE APPLICATION FORM**Provide a copy of one identification document**

- A current and historical company information Company Extract from the ASIC Connect website
- An original certified copy of a certificate of registration
- A current annual company statement issued by ASIC



ZAPPROPERTY.COM.AU