**FAQ for Correction**

# General

### **Basics**

#### **What is Vestabyte?**

Vestabyte is an investment crowdfunding platform. It allows everyday people to invest into a variety of vetted investment opportunities.

#### **What is the Crowd?**

In the context of crowdfunding, the crowd is essentially everyone. It is generally understood that the crowd has access to the internet, hence able to participate in online crowd-sourced activities.

#### **What is Crowdfunding?**

The practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet.

#### **How does Crowdfunding work?**

Investments are made through an online platform, which then coordinate and administer the investment.

### **Regulatory**

#### **Who are the financial services authority?**

Australian Securities and Investment Commission (ASIC).

#### **How is Vestabyte regulated?**

Vestabyte is regulated by the Australian Securities and Investment Commission (ASIC).

#### **Accreditation**

Vestabyte are a corporate authorised representative of a Retail Australian Financial Services Licensee (Guardian Securities Limited, AFSL 240506).

### **Legal Structure**

#### **What is the investment structure?**

Vestabyte is an investment crowd funding platform, operated as a sub-trust within The Guardian Investment Fund (ARSN 168 048 057), a registered managed investment scheme. The responsible entity or trustee of The Guardian Investment Fund is Guardian Securities Limited AFSL 240506.

#### **What is a Managed Investment Scheme?**

Managed investment schemes are also known as 'managed funds', 'pooled investments' or 'collective investments'. Generally, in a managed investment scheme:  
  
people are brought together to contribute money to get an interest in the scheme ('interests' in a scheme are a type of 'financial product' and are regulated by the Corporations Act 2001)   
  
money is pooled together with other investors (often many hundreds or thousands of investors) or used in a common enterprise   
  
a 'responsible entity' operates the scheme. Investors do not have day to day control over the operation of the scheme.

#### **What is a Special Purpose Vehicle (SPV)?**

An entity may be created to accomplish a narrow and well-defined objective (e.g., to effect a property development). Such a special purpose vehicle (“SPV”) may take the form of a corporation, trust, partnership or unincorporated entity. SPVs often are created with legal arrangements that impose strict and sometimes permanent limits on the decision-making powers of their governing board, trustee or management over the operations of the SPV.

### **Fees**

#### **What are the signup fees?**

Nil

#### **How does Vestabyte make money?**

Vestabyte generally makes money by taking a capital raising fee and management fee from the entrepreneur or property developer who is raising the capital. The specifics are fully disclosed in the offer document.

### **Website**

#### **Is the Vestabyte website secure?**

Yes. We use a secure web protocol and SSL certificates. Also we do not require you to provide credit card or bank account details. We use a highly secure electronic signature platform (Right Signature).

#### **How soon after I sign-up can I start investing?**

Once signed up you can start viewing the offer documents. When you are satisfied you fill out the application and follow the steps provided.

# Investor

### **Investing Basics**

#### **Who can invest?**

Retail and Wholesale investors including Self-Managed Super Funds (SMSF). Foreign investors should also check your local jurisdiction restrictions. Eligibility to invest is subject to the discretion of Vestabyte.

#### **I am a foreign investor. Can I invest?**

Yes. However, Australia has a foreign investment approval regime that regulates investments made by ‘foreign persons’. The regime is set in the Foreign Acquisitions and Takeovers Act 1975 (Cth), otherwise known as FATA, and its accompanying regulations. If the investment is subject to the FATA approval regime, then approval must be sought from Foreign Investment Review Board (FIRB). Moreover, your eligibility as an investor will be subject to the discretion of Vestabyte.

#### **What is a Retail Investor?**

A retail investor is anyone who does not fall within the definition of a wholesale investor for the purposes of providing a financial product or financial service under section 761G(5), (6), (6A) or (7) or section 761GA of the Corporations Act 2001 (Cth).

#### **What is a Wholesale Investor?**

A person that has net assets of at least $2,500,000 or gross income for each of the previous two financial years of a minimum $250,000. It can also be an Australian financial services licensee, a body regulated by APRA outside of superannuation, a body registered under the Financial Corporations Act 1974, Trustees of superannuation funds, approved deposit funds, pooled superannuation trusts and public sector superannuation schemes under the Superannuation Industry (Supervision) Act 1993 with net assets of at least $10,000,000 or a person who controls at least $10,000,000.

#### **What is an offer**

An offer is an expression to sell an asset to another party. In the case of Vestabyte the offer is for investment into ventures such as property developments.

#### **What is an offer document?**

An offer document is a disclosure document. They come in the form of a Product Disclosure Statement (PDS).

#### **What is the minimum I can invest?**

$2,000 AUD unless otherwise specified.

#### **How does the minimum contribution apply?**

The minimum investment applies to the specific offer.

#### **What are the fees?**

All fees are disclosed in the Product Disclosure Statement.

### **Investment Type**

#### **What types of investments do you offer?**

Ventures and Property Developments.

#### **What is an Equity investment?**

An investment where you buy and hold shares in a company or property from which you expect to receive income and capital gains.

#### **What is a Preferred Equity investment?**

An investment where you buy and hold a class of ownership in an entity that has a higher claim on its assets and earnings than ordinary equity. Preferred equity generally does not carry voting rights and can form a passive investment.

#### **What is Debt investment?**

Comprises cash and fixed interest investments. You lend money to an entity in return for interest payments. Your security ranks higher than equity investments.

#### **Do we recommend investments?**

No, as we are not authorised to provide personal financial advice. Our authorisations allow us to give general advice only.

### **Investment Specific**

#### **How long is the investment period?**

The investment periods can vary. Specifics are contained in the Product Disclosure Statement (PDS).

#### **Do I get a share certificate?**

No. You will be issued unit certificates.

#### **What is a unit certificate?**

A unit certificate is a legal document that certifies ownership of your investment.

#### **What rights do investors have?**

Investors rights are specified in the Product Disclosure Statement (PDS).

#### **What identification do I need?**

Investor Identification Information is contained in the Product Disclosure Statement (PDS). For an individual it will generally consist of either a passport, driver’s licence and/or any other form of photographic identification advised by the Responsible Entity as required.

#### **How do I make my investment?**

Once you are satisfied with the offer click on either “Invest Now”.

#### **How is my money handled?**

Your money is handled by a trustee and/or custodian. Vestabyte do not handle investor monies. Our trustee has engaged Australian Executor Trustees (AET) which are one of Australia’s largest and most experienced providers of professional trustee services.

#### **What returns can I expect?**

The expected returns are disclosed in the Product Disclosure Statement (PDS). They are specific to each individual investment.

#### **When are dividends or returns paid?**

Depending on the offering, dividends may be paid on a regular basis or in a lump sum at the end of the project. Refer to the Product Disclosure Statement (PDS) for further information.

#### **How do I transfer funds?**

Follow the instructions given on the website or on the Part A PDS. It will include bank account details.

#### **What liquidity is there?**

The investments are not to be considered liquid. Carefully read the Product Disclosure Statement (PDS) prior to investing.

#### **Can I sell my shares if want to cash out of the investment before it has started/finished?**

No. The investment generally is not to be considered liquid nor have a cooling off period unless specifically disclosed in the Product Disclosure Statement (PDS).

#### **What if the project runs overtime? Do I get compensated?**

Projects can run overtime. However, depending on the nature of the investment you may or may not be compensated. Please refer to the Product Disclosure Statement for specific information.

#### **What if I change my mind once I have invested?**

The investment is not to be considered liquid or has a cooling off period unless specifically disclosed in the Product Disclosure Statement (PDS).

#### **Does the crowd have a say in the strategy or management of any investment?**

No. The management of the investment is governed by various legal contracts and undertaken by experienced parties.

#### **Is there a cooling off period?**

No. Unless specifically disclosed in the Product Disclosure Statement (PDS).

### **Investment Support**

#### **How can I track my investment?**

You will receive regular updates regarding your investment.

#### **I need some guidance. How do I get in touch?**

Vestabyte can be contacted via [info@vestabyte.com](mailto:info@vestabyte.com), [+61398117015](tel:+61398117015) or the Live Chat window.

#### **What if I have a complaint?**

Vestabyte can be contacted via [info@vestabyte.com](mailto:info@vestabyte.com), [+61398117015](tel:+61398117015) or the Live Chat window

### **Investment Risks**

#### **What happens if Vestabyte shuts down?**

There is no negative impact on the investor if we shut down. We are a platform that lists the investments. Your investment is managed by the trustee and you will receive proof of ownership of your investment.

#### **What are the risks?**

Property developments and business ventures come with associated risks. These risks will be disclosed in the Product Disclosure Statement (PDS). It would be prudent to seek professional advice.

#### **What is Due Diligence?**

A complete evaluation of a business venture, particularly to establish its financial position and assess its commercial potential.

#### **What Due Diligence do we undertake?**

Our team has a thorough knowledge of property development and commercial enterprise. We make our best efforts to thoroughly research and investigate investment opportunities prior to listing.

#### **Who are our industry advisors and what are their roles?**

Our industry advisors are the Vestabyte team who possess a wide skill set. Moreover, we take advice from our business network of industry professionals.

#### **What is diversification?**

This is the process of allocating capital in such manner as to minimise risk. The most common method is to invest into a variety of asset classes.

#### **How are the projects insured? What if there is a circumstance that ruins the project?**

Under legislative requirements commercial enterprises in Australia require a variety of insurance policies taken out to mitigate against different risks such a public liability, builders insurance, etc. Insurances can help in protecting the project from unforeseen events.

# Property Development & Venture

#### **How do I apply to raise capital?**

From the menu, select “Funding” and follow the instructions. It will involve filling out an online form and attaching relevant documents such as a proposal or business plan.

#### **How much capital can I raise?**

The minimum you can raise is $500,000 with no set limit.

#### **How is a venture or property development valued?**

A venture or property development can only be valued by a qualified valuer.

#### **What does it cost to raise capital?**

$2,200 for legals and due diligence    
2.2% Capital Raising Fee    
2.2% Annual Management Fee   
(inclusive of GST)  
  
plus Investor Return (~10%)

#### **How long does it take?**

Due Diligence and Offer document preparation takes approximately 30 days. The offer period may vary however it will generally take up to 90 days to raise funds.

#### **What is the process of raising capital?**

First you make an application to Vestabyte. Consequently, we will undertake a due diligence process. If you meet the due diligence requirements, we will prepare and notify ASIC of a Part B PDS offer document and launch the investment on the Vestabyte platform.

#### **What is a First Mortgage?**

A mortgage is the pledging of a property to a lender as security or collateral for a loan. First Ranking Mortgage (otherwise known as First Mortgage) is the most senior level of security able to be placed on land. The mortgagee has first claims to the proceeds from the sale of the property, and all the improvements, in the event of liquidation.

#### **What is a floating charge?**

A Floating Charge secures a non-specific interest over the assets of a company. Typically, it secures the total assets of a company or generic categories of assets such as inventory or accounts receivable. The floating charge ‘floats’ over the secured property until the happening of certain events which trigger the crystallisation of the charge and converts it into a fixed charge. It is registered on the “Personal Property Securities Register”, which is managed by the Australian Financial Security Authority (Australian Government).

#### **Why do I need to use Vestabyte?**

Investment crowdfunding is the cutting edge of financial services. It will enable you to raise capital where previously you had limited options.

#### **Who will communicate to shareholders?**

Vestabyte and associated parties will liaise with investors.

#### **What if I have a complaint?**

Call us or e-mail us as per contact page.