

<hon.><first name><last name>

<address one>

<address two>

<city><state><postcode>

<date>

How you can invest in the cream of Queensland's up-and-coming businesses

As a sophisticated investor, you can be among the first to access the tax free capital gains from the cream of Queensland's unlisted companies by requesting an advance copy of the *Bridgewater Development Capital Fund* information pack.

Dear <hon.><last name>

Development capital is not synonymous with high risk.

With the correct company selection, appropriate due diligence and on-going monitoring, much of the risk of development capital funding can be reduced, without sacrificing returns.

The *Bridgewater Development Capital Fund Limited* is the latest addition to the Bridgewater suite of investment products.

It provides sophisticated investors with a minimum of \$50,000 to invest, the opportunity to invest in the cream of Queensland's emerging business ventures and share in the tax free capital gains and dividends they offer.

I would like to invite you to be among the first to receive the *Bridgewater Development Capital Fund* information pack, which includes the official offer document, by phoning **(07) 3832 6020** or by e-mailing **paul@brannelly.com.au**.

A pooled investment in Queensland's leading new companies

The *Bridgewater Development Capital Fund* is a Pooled Development Fund (PDF) that invests in a limited number of established and growing unlisted companies from a pool of more than 150 applications received by the fund's investment manager — Ashley & Munro Chartered Accountants — each year.

The fund does not invest in start-up or distressed companies. Instead, the successful firms are chosen from among those in the safest development capital categories and which have a proven sales history.

Average capital gains in excess of 23% per annum

As this is the first offering of the *Bridgewater Development Capital Fund*, we cannot provide historic returns. However, with the investment and management control criteria that are in place and the funds disciplined approach to due diligence, annual yields in excess of 23% are achievable.

Given the average performance of venture capital funds both in Australia and internationally in the last financial year, and the calibre of companies the fund will be

investing in, the experienced board believes that this level of yield is more than attainable.

Tax free capital gains and dividends

Much of the initial returns from a new enterprise are in the form of capital gains. For investors in a PDF, these capital gains are tax free, thanks to generous government incentives.

So too, any dividends paid to investors by the fund, as proceeds from investee companies, are tax exempt for the shareholder. (Dividends may be franked if applicable.)

Pooled Development Funds also benefit from generous government incentives. They pay a corporate tax rate of only 15% on investment income derived from PDF investment and 25% on income derived from other sources.

A clear 2-3 year exit strategy for maximum gains

Unlike passive funds, the *Bridgewater Development Capital Fund* has an active interest in the on-going management of firms it invests in. This ensures that the fund's investment is strictly monitored, nurtured and performance targets are met.

Investments in the chosen companies are short to medium term, generally up to three years and have a clearly defined exit strategy. The majority of the fund's returns will be in the form of capital gains received from the sale of shares in a company as part of a pre-determined exit strategy.

A history of finding and managing successful new ventures

The *Bridgewater Development Capital Fund's* board includes leading niche development capital financier, Kerry Daly, experienced investment accountant, Peter Dowling, nationally recognised strategy, research and marketing specialist, John Lyons and Graham Heilbronn, chairman of one of Australia's leading resource strategist's consultancies, Heilbronn Group. Mr Heilbronn is also current chairman of Commerce Queensland.

The fund's investment manager, Ashley & Munro, is recognised as one of Australia's most proactive accounting practices. It is highly respected within the development capital industry, and has been contracted to perform all due diligence and on-going monitoring of the fund's investments.

As with the first issue of our most recent fund, the *Bridgewater Paridian Property Development Fund*, where we have almost completed the initial raising of \$6 million in only a few months, we are very confident that the initial capital raising of \$5 million for the *Bridgewater Development Capital Fund* will be filled quickly.

A limited opportunity for sophisticated investors only

This initial raising, with a minimum investment of \$50,000 is only available to those classified as sophisticated investors under the Corporations Law. If you have a minimum of \$500,000 to invest in a single investment, or net assets of at least \$2.5 million, or receive a gross income of at least \$250,000 per annum, over the past two years, you are classified as a sophisticated investor under the relevant Act.

Be among the first to obtain an information pack

We are currently preparing an information pack, which will include details of the fund, its initial investment and the official information memorandum, as well as details of other quality investment opportunities the fund has secured.

You can request a copy of the information pack by phoning my office on **(07) 3832 6020** or by e-mailing your details to **paul@brannelly.com.au**.

<first name>, we will also be holding a series of investor information evenings at our offices on Level 1, 346 Turbot Street, Brisbane. At these evenings you can meet and speak with members of the funds board, the funds investment manager and principals of investee companies.

The next information evening will be held on <day><date> at <time>. Refreshments will be served and partners are welcome.

To attend, phone or e-mail my office and simply mention that you will be attending. Alternatively, complete the RSVP below and return this page by fax on **(07) 3832 6018**.

In the mean time, please don't hesitate to contact me directly if you would like to know more.

Kind regards

<signature>

Paul Brannelly
Chief Executive Officer

RSVP

Mr/Mrs/Ms: _____ E-mail: _____
FIRST NAME LAST NAME

Postal address: _____

_____ Postcode: _____

Telephone (day): _____ Telephone (evening): _____ Facsimile: _____

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