

WALSH BAY PARTNERS

WALSH BAY PARTNERS GLOBAL INFRASTRUCTURE FUND

INFORMATION MEMORANDUM
19 MAY 2017



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IMPORTANT INFORMATION

Issue of information memorandum

This Information Memorandum (**IM**) is dated 19 May 2017 and is issued by Evolution Trustees Limited ACN 611 839 519 (**Trustee**) AFS licence number 486217, which is the trustee for Walsh Bay Partners Global Infrastructure Fund ABN 69 827 532 218 (**Fund**). This IM contains general information for prospective investors about the Fund.

The Trustee has appointed Walsh Bay Partners Pty Ltd ACN 160 258 097 (**Investment Manager**) AFS licence number 487878 as the investment manager of the Fund.

No disclosure required

This IM is intended to provide potential investors with general information only and does not constitute a product disclosure statement or other disclosure document required by the *Corporations Act 2001* (Cth) (**Act**). This IM has not been lodged with the Australian Securities and Investments Commission (**ASIC**) or any other government body.

An investment in units in the Fund is only available for persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act), (collectively, **Qualifying Investors**). The Trustee will not issue units in the Fund to a person unless it is satisfied the person is a Qualifying Investor.

Foreign jurisdictions

This IM does not constitute, and may not be used for the purpose of, an offer, invitation or solicitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, invitation or solicitation. The Trustee and the Investment Manager do not represent that this IM may be lawfully offered in compliance with any applicable legislation or other requirements in any jurisdiction outside Australia or assume any responsibility for facilitating any such distribution or offering.

In particular, this product has not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold, delivered or transferred in the United States or to, or for the account of, any "US Person" (as defined in Regulation S under the US Securities Act). Neither this IM nor any Application Form or other material relating to this product may be distributed in the United States.

An investment in units in the Fund may be made available to select persons in other jurisdictions as determined by the Trustee and the Investment Manager (in their joint discretion) provided that it is made in accordance with applicable securities laws in those jurisdictions.

No responsibility for contents of document

To the maximum extent permitted by law, neither the Trustee, the Investment Manager nor any of their associates, related parties, directors, officers, employees, advisers (including financial, accounting and legal advisers) or representatives make any recommendation in relation to the Fund, or make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this IM.

This IM does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Fund. This IM must be read in conjunction with the Fund's Trust Deed, a copy of which is available (free of charge) by contacting the Trustee on 02 8866 5150. To the extent there are any inconsistencies between the Trust Deed and this IM, the Trust Deed will prevail.

Forward looking statements

This IM includes forward looking statements that may contain the words "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this IM are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward looking statements. These forward looking statements are current only as at the date of this IM. Accordingly, there can be no assurance that such statements, estimates or projections will be realised.

Independent advice

Prospective investors are not to construe the contents of this IM as tax, legal or investment advice. The information contained in this IM is general information only and does not take into account any investor's objectives, financial situations or needs. An investment in the Fund may not be appropriate for all persons or entities.

Each recipient of this IM agrees and acknowledges that they must rely on its own investigations and enquiries with respect to making any decision to invest in the Fund and, as this IM is general information only (and may be out of date), does not rely on the information set out in this IM in making an investment decision.

Further, each recipient of this IM agrees they should seek appropriate professional advice from a financial adviser, accountant or other professional adviser to obtain legal, investment and tax advice in determining whether to invest in the Fund.

No guarantee

An investment in the Fund is subject to investment risk, including the loss of income and capital invested. Neither the Trustee, the Investment Manager nor any of their directors, officers, employees, advisers or representatives guarantee the rate of return or performance of the Fund, the meeting of the objectives of the Fund, nor do they guarantee repayment of committed capital. Section 3.2 of this IM contains a summary of the risks of an investment in the Fund.

Trustee limitation of liability

Except in certain circumstances (including fraud, negligence or 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 of interests

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

Updated information

The information contained in this IM can change, and the IM may be updated or replaced from time to time. The Trustee may not always update or replace this IM to reflect the changed information. Updated information (if available) may be obtained by going to the Investment Manager's website (www.wbpartners.com.au) or calling the Investment Manager on (02) 8667 2888.

No Liability

To the maximum extent permitted by law, the Trustee, the Investment Manager and their associates, related parties, directors, officers, employees, advisers (including financial, accounting and legal advisers) and representatives bear no liability for any loss or damage, howsoever arising and whether foreseeable or not, which results from any person acting in reliance in whole or in part on any information in this IM, or any information provided or made available in connection with any further enquiries.

Confidentiality

This IM is confidential. Each recipient of this IM agrees to keep its contents confidential and not to copy, supply, disseminate or disclose any information in relation to its content without the Trustee's prior written consent.

Glossary

Certain capitalised words and expressions used in this IM are defined in the Glossary. All references to dollar amounts in this IM are to Australian Dollars (AUD), unless otherwise stated.

1 KEY INVESTMENT FEATURES

The table below is only a summary of the key features of an investment in the Fund. It is not intended to be exhaustive. The information in this IM is qualified by reference to the Fund's Trust Deed and the Application Form.

Feature	Overview	Section(s)
Fund	Walsh Bay Partners Global Infrastructure Fund.	2
Trustee	Evolution Trustees Limited ACN 611 839 519, AFS licence number 486217.	4.1
Investment Manager	Walsh Bay Partners Pty Ltd ACN 160 258 097, AFS licence number 487878.	2.3, 2.4, 2.5, 4.2
Structure of the Fund	The Fund is an unlisted and unregistered Australian managed investment scheme in the form of a unit trust.	2
Term	The Fund is open-ended. The Fund has an eighty year term, unless terminated earlier in accordance with the terms of the Trust Deed.	2
Investment objective	The Fund aims to provide Investors with long term quality cash distributions and capital growth by investing in infrastructure related assets in Australia and internationally.	2
Investment strategy	<p>The Fund will invest in a globally diversified portfolio of infrastructure equity and debt related assets. The assets the Fund invests in have the potential to endure for many decades, if not longer. In turn this may provide a stable and growing income stream which can endure for a very long period of time.</p> <p>Investment will be mainly through funds which, in the opinion of the Investment Manager, are offered by managers who have specialist skills in researching and managing infrastructure assets and adding value to them over time. A long term horizon is required to maximise the value of this strategy and the Fund is only suitable for investors with such a horizon, not likely to need to draw on their investment in the Fund to meet any needs for liquidity. Most of the investments the Fund will make are likely to be in unlisted and hence illiquid funds.</p>	2

Feature	Overview	Section(s)
Specific infrastructure investments	<p>From time to time, the Investment Manager may make available to prospective Investors information about specific infrastructure related investments which the Investment Manager has identified for the Fund.</p> <p>At the date of issuing this IM, the Investment Manager has identified a specific infrastructure related investment for the Fund. Upon request, the Investment Manager will provide Investors with information about any specific infrastructure related investment from time to time.</p>	2.6
Applications for investment	<p>Applications for an investment in the Fund may be made whenever the Fund is open for investment (as advised by the Trustee and the Investment Manager). Applicants commit to invest application money for units in the Fund up to their investment commitment amount. The application money committed may be fully or only partly called, depending on the investment opportunities available to the Fund at the time the application is made.</p>	5.1
Minimum investment amount	<p>Applications must be for a minimum investment commitment amount of \$500,000. Lower amounts may be accepted at the Trustee's discretion, after taking advice from the Investment Manager.</p>	5.1
Total investment commitment	<p>The amount of an Investor's total investment commitment will be the amount specified in the Application Form (subject to the Trustee's acceptance of amount) and represents an irrevocable commitment by an Investor to pay this amount in instalments (referred to as Calls) as and when determined by the Trustee.</p> <p>An Investor will be issued with new units each time a Call is made. Units will be issued at the unit price calculated as of the last Business Day of the Month in which the Call is made.</p>	5.1
Timing of Calls	<p>The number and amount of any Calls made in respect of an Investor's investment commitment will vary depending on the capital requirements of the Fund and availability of investment opportunities. Calls will be made by the Trustee by giving Investors not less than 5 Business Days written notice. It is intended that Calls will be made to Investors in order of when they applied for their investment commitment to the Fund – i.e., it is intended that existing commitments in the Fund will be fully called</p>	5.1, 5.2

Feature	Overview	Section(s)
	<p>and invested before new additional investment commitments are called and invested. The Trustee will make drawdowns of investment commitments pro rata.</p> <p>The Manager in its discretion may request the Trustee to change the order of Calls, if it reasonably considers that it is in the best interests of Investors to do so.</p> <p>Any investment commitment amount uncalled 10 years from the date of receipt of an Investor's Application Form, will be cancelled.</p> <p>All uncalled investment commitment amounts will be cancelled upon termination of the Fund.</p>	
Unit Price	<p>The Unit price will be in accordance with the NAV formula in the Trust Deed (having regards to the Trustee's reasonable estimate for the impact of the application to existing Investors arising from accrued performance fees, costs of underlying investments and transaction costs).</p>	5.6
Applications for units	<p>Units in the Fund will be issued to Investors:</p> <ul style="list-style-type: none"> a) on an Investor's application for its investment commitment, where at the time of application there is an investment opportunity available to the Fund (and the Trustee or the Investment Manager notifies the Investor that an amount of the investment commitment will be required to be paid upon application); and/or b) pursuant to a Call made by the Trustee for an Investor to subscribe for units in the Fund (up to the maximum of their investment commitment). <p>Investors wishing to invest in the Fund and subscribe for units in the Fund upon application (in the circumstances described in (a) above) must provide a properly executed, complete application and their application money by 2pm on the 15th of any month (or the last Business Day prior to the 15th if the 15th is not a Business Day) (Application Month) (subject to the Trustee's discretion to accept applications within an Application Month after this time). Applications received after this time will be processed the following month (subject to the Trustee's discretion described above).</p> <p>Units will be issued as soon as practicable, based on the unit price calculated on the last Business Day of the Application Month (or on such other Valuation Day</p>	5.1, 5.2

Feature	Overview	Section(s)
	determined by the Trustee, as applicable). In limited circumstances, an issue of Units may be delayed if there is a delay in valuing the underlying portfolio.	
Distributions	<p>The Trustee anticipates that distributions will be declared on 30 June each year, and will be paid as soon as possible after being declared (but in any event, within four months of being declared). Taxable distributions may not always be paid in cash in the year in which they are declared. The Trustee may make distributions more frequently if it considers it is in Investor's interests to do so.</p> <p>Investors may elect to receive distributions as cash or to reinvest their distributions and be issued with additional units. If no election is made by an Investor, then the default will be that all distributions will be reinvested as additional units. However, if at the time of reinvestment of distributions there are no available investment opportunities for the Fund, then an Investor's distributions will be paid in cash.</p> <p>The Trustee may notify Investors that the distribution reinvestment option has ceased for any particular year and that the distribution for that year will be paid in cash and not reinvested.</p> <p>Under the Trust Deed, the Trustee has the right to clawback distributions (including any capital returned) where it is required to do so in respect of an underlying investment. This right exists even where distributions have been made in previous distribution periods.</p>	5.4
Fees and expenses	<p>There are fees and expenses payable in relation to the management of the Fund, including –</p> <ol style="list-style-type: none"> 1. Ongoing management fee of 1.0% per annum (excluding GST) of the Fund's gross asset value. The Trustee pays itself and the Investment Manager out of this fee. 2. A due diligence fee of 1.0% (excluding the impact of GST) of the value of new money invested <p>in the Fund, payable to the Trustee out of Fund assets, which will be on-paid to the Investment Manager.</p> <ol style="list-style-type: none"> 3. Fees and costs are payable to the managers of the 	6

Feature	Overview	Section(s)
	<p>underlying infrastructure related funds and assets in which the Fund may invest.</p> <p>Ongoing annual costs will also be payable in relation to the management and administration of the Fund including, without limitation, fund administration, audit, legal and taxation services. If the Trustee is removed by the Investors by a resolution in accordance with the Trust Deed (for no cause) prior to the second anniversary of the commencement of the Fund, the Trustee will be entitled to be paid the removal fee in accordance with the terms of the Trust Deed.</p>	
Liquidity	<p>The focus on unlisted assets means that liquidity in the Fund will be very limited. An investment in the Fund should only be considered by Investors with a very long term investment horizon, without a need for quick or easy liquidity.</p> <p>The Investment Manager may maintain a register of persons interested in buying or selling units in the Fund and may assist an Investor to facilitate a novation of their investment commitment or a sale of their units in the Fund. However, there is no facility for units to be bought back, redeemed or sold by the Trustee or the Investment Manager and there is no obligation upon the Trustee or the Investment Manager to buy-back or redeem units or arrange a novation of an Investor's commitment or units.</p> <p>From time to time, windows of liquidity may occur, when one of our managers sells an asset. The timing of this will be subject to a variety of market factors and cannot be predicted with any precision in advance and may be outside of the control of the Investment Manager. Realisation of investments in the underlying funds, may align with Investor's redemptions requests.</p>	5.8
Redemption of Units	<p>Investors may make redemption requests at any time, but there will be no right of redemption of units in the Fund. To ensure the integrity of the portfolio and returns for continuing Investors, there is no obligation on the part of the Trustee or Investment Manager to sell assets of the Fund to meet redemption requests. However, the Trustee</p> <p>will have discretion to meet redemption requests if it is in the interests of Investors and the Fund to do so, including by setting withdrawal windows, making pro rata withdrawal offers or conducting buy-backs.</p>	5.7

Feature	Overview	Section(s)
Key risks	<p>There are risks associated with investing in the Fund. Distributions are not guaranteed, nor are any capital returns. The Investment Manager will attempt to manage and mitigate risks of the underlying investments of the Fund, however not all risks can be eliminated and some risks are outside the control of the Investment Manager. If risks eventuate, then this can have a negative impact on distributions and the value of an Investor's investment in the Fund.</p>	3
Who can invest?	<p>An investment in units in the Fund is only available to persons who qualify as wholesale investors (as defined in section 761G (7) of the Act) or sophisticated investors (as defined in section 761GA of the Act), (collectively, Qualifying Investors). The Trustee will not issue units in the Fund to a person unless it is satisfied that the person is a Qualifying Investor.</p>	5.1, 10
Investor's rights	<p>Investors will have the rights to do the following things by passing a Special Resolution (that is a resolution at a meeting of unitholders passed by unitholders holding at least 66 2/3% of the units in the Fund):</p> <ul style="list-style-type: none"> • amend the Trust Deed (other than the provisions relating to fees payable to the Trustee); • remove the Trustee; • terminate the Investment Management Agreement; • wind up the Fund; and • register the Fund as a registered managed investment scheme and list the Fund. 	5.10
Tax Information	<p>Before investing in the Fund, you should obtain your own independent tax advice, taking into account your own circumstances.</p>	7
SMSF & superannuation funds	<p>Self-managed super funds and complying superannuation funds are able to invest in the Fund, subject to their own investment criteria.</p>	10
Reporting	<p>Investors will receive six monthly updates on the Fund's strategy, performance of the underlying assets and will receive audited financial statements annually. Each Investor will also receive an annual tax statement to assist in the preparation of your tax return.</p>	8.2

2 ABOUT THE WALSH BAY PARTNERS GLOBAL INFRASTRUCTURE FUND

The Walsh Bay Partners Global Infrastructure Fund (the **Fund**) is an unlisted, unregistered managed investment scheme established under the Fund's Trust Deed in the form of an Australian unit trust.

Evolution Trustees Limited ACN 611 839 519, AFSL No. 486217 is the trustee of the Fund (**Trustee**) and Walsh Bay Partners Pty Limited ACN 160 258 097, AFSL No. 487878 is the investment manager of the Fund (**Investment Manager**).

The Fund is open-ended and will pool money it receives from Investors to buy infrastructure related assets on behalf of the Fund. The Investment Manager will source investment opportunities for the Fund in accordance with the Fund's investment objectives and strategy (as described in this section 2 below).

2.1 Investment Objective

The Fund aims to provide Investors with long term quality cash distributions and capital growth by investing in infrastructure related assets in Australia and internationally.

2.2 What are Infrastructure Investments?

Infrastructure is a real asset which provides essential services to communities around the world. It offers Investors the opportunity to access the utilities and facilities that help underpin economic growth. Infrastructure assets may be broken into three main sectors:

1. Utilities: power, gas, electricity, communications
2. Transport: roads, ports, airports, railways
3. Social: schools, hospitals

Why are there Opportunities to Invest in Infrastructure?

Infrastructure plays a key role in enabling the rise of civilisation and economic growth, going back to the time of Roman aqueducts and even earlier. Historically, infrastructure was typically developed and provided by governments. The growing need for infrastructure as well as a re-evaluation of the role of government, however, has led to a growing role for private investment in infrastructure over the past few decades.

Telephone companies, roads, electricity companies and airports among many other examples, have been privatised and most new projects are being funded, in part or wholly, by private investors. Looking forward, growth in populations, technological change, the constraints on government spending and the need for renewal of existing assets is likely to create a vast number of new opportunities for investment in infrastructure.

What are the Opportunities and Issues to Consider in Investing in Infrastructure?

Infrastructure needs to be built, repaired, replaced and maintained, so there are a vast array of opportunities to invest at different stages of each infrastructure asset's cycle.

- **Early stage versus well established projects:** infrastructure opportunities can include so-called 'greenfields' projects, where there is a concept to build a new road, airport or power station. Projects at this stage need to obtain various regulatory approvals, initiate and manage construction, win customers and successfully operate the project profitably. These opportunities are generally the most risky, while also potentially providing the highest returns. At the other end of the spectrum are well established infrastructure operations which have proven operating models and profitability. Generally these involve less risk, while also providing lower return potential. There are also a range of possibilities between these two ends of the spectrum. For example, the operator of an established airport or toll road may wish to expand capacity. While involving development risk, this is reduced by the knowledge gained from the previous operation of the existing facility.
- **A Public Private Partnership (PPP):** is a method that is increasingly being used by governments to deliver infrastructure. In a PPP infrastructure project, the government typically grants a long term (often 25-30 years) contract to a private company to design, build, finance and operate the asset. The asset is handed back to government ownership at zero cost at the end of the contract. Depending on the precise terms, a PPP may reduce, but does not eliminate, the risk of a greenfield project. PPPs have been used to finance both **social** as well as **economic** infrastructure. Social infrastructure refers to assets such as schools, hospitals, water utilities and prisons where the payments from the government are usually linked to the availability of the facility. Such infrastructure is not particularly sensitive to economic conditions, and this lower risk usually means lower returns. Economic infrastructure refers to assets such as toll roads, airports and bridges, where the revenue is affected by the level of usage and hence returns are often subject to more variability, however, returns are usually higher, reflecting the higher risk.
- **Investing in Debt versus Equity:** investment in infrastructure may be via lending money to the project (debt), which in turn may be secured or unsecured. Or it may be by taking an ownership position in the asset (equity). Investment in debt securities provide the prospect of regular income distributions, at a lower risk, but with no prospects for longer term capital growth. Equity investments provide the prospect of enjoying an increase in the long term growth in value of the project at the expense of also sharing in any loss of value. It is the nature of equity investment that returns tend to be more volatile than debt investments. Equity stakes in greenfields infrastructure projects are at the riskiest end of the spectrum, followed by unsecured debt and then secured debt. At the other end of the spectrum, secured debt in established operations are generally lower risk, followed by unsecured debt and then equity in such operations.
- **Listed versus unlisted securities:** investments in infrastructure may be made via

securities that are listed on various stock markets around the world and provide the benefit of liquidity for buyers and sellers. Investment may also be via unlisted securities which suffer from illiquidity, at least until a future event such as the completion or sale of the project, which may be via a listing. Generally unlisted securities provide the prospect of a higher return than listed securities. Unlisted funds typically offer the prospect of higher returns, but at the cost of no, to very limited, liquidity for a significant period of time. The Fund's investments will be mainly through unlisted funds. Some of these funds may be open-end funds, which means that typically they will be buying and holding high quality assets for very long periods of time. Others may be closed-end funds, which means that they will be looking to buy, improve and then sell the assets. Given the nature and cost of infrastructure assets though, the time horizon even for closed-end funds to execute their strategy successfully will typically take at least 10 to 15 years.

- **Investing in Developed versus Developing Countries:** the developed countries of the world refer to those who belong to the Organisation of Economic Cooperation and Development (**OECD**). This includes North America, Western Europe, Australia, New Zealand, Japan and the wealthier countries in Asia such as South Korea and Singapore. Emerging markets typically refer to the developing countries of Asia, South America and Africa. Better established economies, legal systems and financial systems make the developed economies generally safer to invest in than the emerging markets, notwithstanding the substantial need for infrastructure funding in emerging markets.
- **Direct investment versus managed funds:** it is possible to invest in specific infrastructure projects directly or via professionally managed funds. Direct investment offers the opportunity to target specific opportunities. But a high degree of specialist skill and cost is involved in undertaking due diligence for each project. Managed funds typically offer a diversity of investments with the benefit of a professional manager undertaking due diligence.
- **Diversification benefits compared to other asset classes:** the returns of infrastructure assets tend not to be highly correlated to the cycle for equity, property and bond markets. Each of the different types of infrastructure related assets in which this Fund proposed to invest also tend to have somewhat different return cycles. An investment in a diversified infrastructure portfolio can therefore help to reduce overall portfolio risk.
- **Leveraging the assets:** where infrastructure assets are established and producing reliable income streams, long term capital growth can be enhanced, at the cost of also increasing risk, by borrowing to invest.
- **Foreign exchange risk:** If the Fund invests in overseas assets, such investment will expose it to the risk of currency fluctuations against the Australian dollar. Such risk, however, may be offset, at least in part, by the fact that a spread of currencies may offer diversification benefits. The Investment Manager will generally hedge foreign currency exposure which exceeds 30 per cent of the Fund's gross asset value.

2.3 Walsh Bay Partners Investment Philosophy

Investment always involves a trade-off between risk and return. It is worth noting that there is no such thing as a guaranteed safe investment in the long term, if the objective is to get a rate of return that at least preserves buying power after inflation and tax. In fact cash almost invariably fails to achieve this target and in this context can be considered very unsafe in the long term, while being relatively safe in the short term.

The Walsh Bay Partners Global Infrastructure Fund is aimed at Investors trying to preserve and reasonably increase the buying power of their capital over the long term. The nature of infrastructure assets is very useful in seeking to achieve this objective. While understanding that risks must be taken in order to achieve a higher return, the Investment Manager's focus is on quality risks – that is, those that have a high probability of being rewarded over time. The Investment Manager accepts the price of temporary volatility because of temporary swings in market sentiment and economic cycles that it does not have the ability to predict, while seeking to minimise the risk of permanent capital loss.

Patience is key to the Investment Manager's approach. The difference between a good and bad investment is influenced both by the quality of the asset as well as by the price paid. Much money is lost in speculative and poor quality investments, which the Investment Manager may not knowingly arrange for the Fund to invest in. But much money is also lost in good quality investments which are bought at far too high a price. Modern investment markets tend to trade periodically at extremes of valuations and at times when in our judgement valuations are too high, the Investment Manager expects to adopt a very patient approach and defer investing. This is one of the advantages of representing private wealth, compared to many mainstream funds which are required to be fully invested and to focus on listed securities.

Each infrastructure project has unique characteristics affecting its risk and return prospects. Unlike major listed companies which have a large number of researchers analysing them and publishing their research, unlisted infrastructure projects have limited or no public research available on them. This lack of research is a source of opportunity and potentially higher returns, but it also increases risk. Walsh Bay Partners seeks to make the most of these opportunities, while managing risk, through:

- Using specialist managers who have substantial experience in managing and adding value to infrastructure assets
- Avoiding assets with excessive leverage or financial engineering around the investment case
- Investing mostly in established assets, rather than so called 'greenfields', or pure start up developments
- Investing in a globally diversified portfolio of assets, spread across utilities, transport and social infrastructure such as hospitals and schools.

The assets the Fund invests in have the potential to endure for many decades, if not longer. In turn this may provide a stable and growing income stream which can endure for a very long period of time. Specialist managers will also have the ability to add value to assets, by improving, innovating and expanding operations. Finding the right types of assets, undertaking due diligence and improving the value of assets purchased, takes time and money. The best results from the types of assets and approach that our managers adopt are captured by those who are able to invest for the very long term.

To ensure that the Fund has the best chance of achieving its objectives it is critical that investors are able to commit for the long term. Serious investors in a personal asset such as a house will spend considerable time and effort finding the right house, doing their research, paying the right price, improving it and then if necessary will be patient to ensure market conditions are favourable before they sell. Forced sales in a poor market can undermine the fruits of the entire strategy. The same is true of infrastructure investments. To capture the full benefits of the Fund's strategy therefore, liquidity in the Fund is generally extremely limited. The Fund is only a suitable investment for that part of an investor's portfolio that can be invested for the very long term. Neither the Investment Manager nor the Trustee are required to repurchase or redeem units. From time to time, windows of liquidity may occur, when one of our managers sells an asset. The timing of this will be subject to a variety of market factors and cannot be predicted with any precision in advance and may be outside the control of the Investment Manager.

This strategy allows long term investors to benefit from the growing income stream that a quality portfolio of infrastructure assets can produce as well as from the ability of our managers to have the flexibility to sell particular assets at a time they regard as most favourable.

The Investment Manager considers the better quality risks in the long term to include illiquidity, volatility and growth, mainly in developed markets. And this is reflected in the Investment Manager's investment strategy described below.

2.4 Walsh Bay Partners Investment Strategy

Investment Ranges – Summary of Expected Long Term Investment Targets and Ranges

	Target Range (%)	Lower & Upper Limit (%)
Growth investments	80 - 90	65-100
Greenfields projects	5-15	0-20
Established projects	85-95	80-100
Unlisted investments	85-95	70-100
Listed investments	5-15	0-30
Developed Markets	90-100	80-100
Foreign currency exposure	20-35	0-50
Cash	0-5	0-20

Note: The Fund will be invested in cash until the first investment is made in an infrastructure related asset. The Fund aims to achieve the target ranges in the different types of infrastructure related assets over a period of time, as the Fund grows and quality investment opportunities arise. The above ranges may be changed, however, on the advice of the Investment Manager, taking into account new investment opportunities and the changing investment landscape.

The Walsh Bay Partners Global Infrastructure Fund aims to provide Investors with exposure to a globally diversified portfolio of infrastructure related investments. The focus is on quality growth opportunities. To this end, the Investment Manager has developed the following investment guidelines:

- Between 65-100% of the portfolio will be invested in equity instruments rather than debt, reflecting the fact that the Fund aims for long term growth in capital and income, rather than short term income yield.
- The focus will be on infrastructure at an intermediate, established or close to established stage of development – including established projects with quality development prospects. Investments in greenfields projects, which are not PPPs, will generally be less than 20% of the portfolio. The portfolio will comprise a mix of social and economic infrastructure.
- The main instruments in which the Fund will invest will tend to be unlisted shares or units – potentially comprising up to 100% of the portfolio, with the goal of capturing an ‘illiquidity premium’ for investors. This means that Investors in the Fund will have limited opportunities to cash in their investment (please see sections 5.7 and 5.8 for more details). Investors considering an investment in the Fund should have an investment horizon of at least 15 years and preferably longer if extra time is required to try and maximise returns from the underlying assets. This investment horizon will allow the Investment Manager to execute the investment strategy trying to maximise returns from the ability to invest in long term illiquid assets, which have the potential to provide enduring and increasing cashflows over time.
- The main circumstances under which the Fund will invest in listed infrastructure

investments will be when market sentiment temporarily drives the value of listed securities well below reasonable valuations and there is sufficient cash in the portfolio to take advantage of these opportunities. As the Fund moves to be fully invested in unlisted securities, there will be less flexibility to take advantage of these opportunities.

- Investment will be mainly in developed, rather than emerging markets. The Investment Manager will consider an increased weighting in emerging markets where such investments are supported by guarantees by credible parties such as the World Bank or major commercial banks.
- The Fund uses the services of specialist professional managers to evaluate, select and manage the assets, usually via their managed funds, but with the ability to invest directly in select assets professionally managed.
- The Fund will look for opportunities globally, which will introduce a foreign currency exposure from the viewpoint of the Australian dollar. Generally the intention of the Investment Manager is to hedge foreign currency exposures beyond 30 per cent of the gross asset value of the Fund. Hedging may be less or more than this on those occasions that the Investment Manager regards the Australian dollar respectively to be materially overvalued or undervalued.
- The Fund may use derivative instruments, but only as a means of gaining cost effective exposure to approved investments or to hedge existing exposures.
- The seed investment of the fund is an allocation to Macquarie Australian Infrastructure Trust (MAIT) managed by the Macquarie Infrastructure and Real Assets (MIRA) team, part of the Macquarie Group. The fund is a close ended fund dedicated to Australian and New Zealand unlisted infrastructure equity investments. Further information on this investment can be obtained from the Investment Manager.

The above guidelines are given as at the date of this document and may change. Investors should note that the Investment Manager and the Trustee may change the guidelines from time to time (without notice) having regard to new investment opportunities and to take into account changes in the investment.

The Fund has the ability to leverage its assets, but will limit borrowings at the Fund level to a level of 40 per cent or less of the gross value of the Fund's assets. The degree of leverage will take into account the level of leverage in underlying investment funds.

2.5 Walsh Bay Partners Institutional Investment Service

Walsh Bay Partners has arranged for the establishment of the Fund as part of the Walsh Bay Partners Institutional Investment Service (**Service**). This Service aims to provide Qualifying Investors with access to investment opportunities that are not generally available to the public and may be mainly accessed by institutional, sophisticated and wholesale investors. Walsh Bay Partners believes the main benefits of the Service are:

- research of, and access to, institutional investment opportunities in various asset classes;
- the ability to access institutional investment opportunities which may have minimum investment amounts that are too high for any one investor to invest in without taking undue concentration risk;
- to provide the benefits of quadruple diversification: a spread of specialist investment managers; Australian and international opportunities; types of infrastructure assets and; stages of development of different assets;
- the ability to respond to new opportunities quickly, especially at times of market weakness; and
- the ability to benefit from economies of scale through pooling funds with other Qualifying Investors who share similar objectives.

2.6 Specific infrastructure investments

From time to time, the Investment Manager may make available to prospective Investors and Investors information about specific infrastructure related investments which the Investment Manager has identified for the Fund.

3 RISKS

Like any investment, there are risks associated with investing in the Fund. By their very nature, the risks involved with investing in the Fund cannot be exhaustively categorised. There are a number of risk factors that could affect the performance of the Fund, the level of income distributions and the repayment of capital invested. Many risk factors fall outside the Trustee or the Investment Manager's control and cannot be completely mitigated.

The summary below provides information about some of the main risks that Investors should be aware of when considering whether to invest in the Fund. It is not possible to list all investment risks and this section is therefore not intended to be exhaustive. Investors should consider the level of risk that they are comfortable with, taking into account factors such as their age, investment time frame, other assets and investments they have, and their overall tolerance for risk before investing in the Fund.

Investors should be aware that distributions are not guaranteed and neither is the return of your capital.

3.1 Risk profile

An investment in the Fund should be considered to have a high level of risk. That is, an investment in the Fund is much more risky than an investment in cash or fixed interest securities and more risky than an investment in the shares of mainstream companies listed on the major stock markets of the world.

3.2 Summary of Risks

The following is a summary of the key risks of an investment in the Fund.

(a) Market and economic risk

The value of securities held within the Fund may be affected by general economic sentiment and in the case of listed investments in particular, factors that influence stock markets generally. These can include business confidence and government and central bank policies including the level and direction of interest rates, natural disasters and man-made disasters beyond the control of the Trustee and the Investment Manager. The long term nature of this Fund should make it less vulnerable to temporary fluctuations in market values, and indeed these may offer opportunities for the Fund to buy assets at attractive values. Diversification across different assets, managers and geographies are also important in managing market risk.

(b) Infrastructure asset risks

Each infrastructure project has unique characteristics affecting its risk and return prospects. And unlike major listed companies which have a large number of researchers analysing them and publishing their research, unlisted infrastructure projects have limited or no public research available on them. This lack of research is a source of opportunity and potentially higher returns, but it also increases risk.

Development and construction risks are part of new infrastructure projects. These involve the need to get various regulatory approvals, potential cost increases associated with delays and the risks associated with meeting the requirements to commission a project formally.

Infrastructure assets involve underlying businesses, such as airports and hospitals and the Fund is exposed to the risks of operating these businesses.

Each asset is subject to valuation risk. Valuations may fall if valuers consider, for example, that an asset has been adversely affected by factors specific to its operation, or as a result of more general economic conditions.

We seek to mitigate the above risks by using the services of managers with specialist skills in researching infrastructure projects and by diversifying across different managers, projects and types of infrastructure.

(c) Specialist manager risk

Using specialist managers is critical to success when investing in infrastructure assets. Nevertheless, specialist managers can and do make mistakes in their research, development or operation of infrastructure assets. Genuine mistakes aside, managers can be adversely affected by the loss of key personnel, operational problems and their ability to manage growth. We seek to mitigate this risk by focusing on managers with strong experience and track records as well as by diversifying across different managers.

(d) Liquidity risk

Liquidity relates to how quickly you can realise your investment for its market value. The Fund is expected to generally focus on illiquid infrastructure assets that have the potential to provide a higher return than liquid investments over the longer term. But this means that Investors may not be able to redeem their investment in the Fund at a time of their choosing. Illiquid investments also involve more risk. There is less ability to adjust quickly to changing circumstances, be they general economic and market conditions, regulatory changes, new technologies and competitors, changes in consumer preferences or adverse changes affecting our specialist managers. We seek to mitigate this risk by broad diversification of projects and geography. From time to time, windows of liquidity may occur, when one of our managers sells an asset. The timing of this will be subject to a variety of market factors and cannot be predicted with any precision in advance.

(e) Limited operating history risk

The Fund is newly formed with no operating history upon which Investors can evaluate its likely performance. Accordingly, there can be no assurance the Fund will achieve its investment objective. The past investment performance of the Investment Manager and its key persons is not a reliable indicator of future performance or results of an investment in the Fund.

(f) Operational risk

There is a risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology, or infrastructure changes, or through external events such as third party failures or crisis events. The Trustee has procedures in place to manage these risks, and as much as possible, monitor the controls within these procedures to ensure operational risks are adequately managed.

(g) Leverage Risk

Leverage risk refers to the risk that is created by borrowing funds to invest. Leverage magnifies returns both on the upside as well as on the downside. There is also the risk that borrowed funds may not be refinanced when the term of the loan expires. The Investment Manager seeks to manage this risk by limiting the amount of leverage at the Fund level to 40% of the gross value of the assets of the Fund. Furthermore, borrowings are secured only against the assets of the Fund, with no recourse to Investors.

- (h) Interest rate risk**
Increases in interest rates can increase the cost of any debt in the Fund. It may also increase the discount rate at which the Fund's assets are valued, reducing their value.
- (i) Fund risk**
As with all managed funds, there are risks particular to the Fund, including that the Fund could terminate, the fees and expenses could change, the Investment Manager could be replaced and the investment professionals could change. There is also a risk that investing in the Fund may give different results than investing directly because of income or capital gains accrued in the Fund and the consequences of investment and redemption by other Investors. We aim to keep Fund risk to a minimum by monitoring the Fund and acting in your best interests.
- (j) Key person risk**
The Investment Manager is dependent to some extent upon the expertise of its existing investment team. Consequently, the Fund's performance could be adversely affected if key members of the investment team do not continue to provide their services to the Investment Manager.
- (k) Compliance risk**
If the Trustee or the Investment Manager fails to comply with its AFS licence conditions, the Trust Deed or the Corporations Act it may have an adverse impact on Investors and the value of their investment.
- (l) Regulatory risk**
Changes in laws, or their interpretation, including taxation and corporate regulatory laws, practice and policy could have a negative impact on the operation of the Fund and return to Investors. For example, any changes in relation to how income of the Fund is taxed or in relation to the deductibility of expenses, or changes to stamp duty law might adversely impact the Fund and Investors' returns.
- (m) Derivatives risk**
The exposure to exchange-traded and over the counter derivative instruments can expose the Fund to risks such as adverse movements in the asset underlying the derivative, or the possibility that certain positions may be difficult or costly to reverse.
- (n) Tax risk**
There is a risk that changes in the taxation rules, regulations and laws (or changes in the manner in which the relevant taxation commissioner or agency may interpret those rules, regulations or laws) in Australia or other countries in which the Fund may invest, may adversely affect the Fund or Investors.
- (o) Risk of lack of diversity**
The Fund may participate in a limited number of investments, especially in its early phase. This may result in the return of the Fund being substantially and adversely affected by the unfavourable performance of a single investment, a particular geography or a single specialist manager. Investors have no assurance as to the degree of diversification that the Fund may achieve, even though the objective is to diversify the Fund as it grows.
- (p) Non-Controlling Investments**
The Fund may have a non-controlling interest in certain of its investments and therefore may have a limited ability to influence the investment policies of these investments. In such cases, the Fund will be significantly reliant on the other sponsors of the transaction, if any, and on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Fund is or is not affiliated and whose interests may conflict with the interests of the Fund.

(q) Currency Risk

As the Fund may invest in overseas assets, it is exposed to currency risks. Changes in the exchange rate between the Australian dollar and the currencies of the assets held by the Fund may lead to a loss of value of the Fund's assets as expressed in Australian dollars. While the Investment Manager will seek to manage this risk through the use of derivatives, it may not be possible or practical to hedge against exchange rate risks.

(r) Unit Pricing Risk

As the Fund is open-ended and may accept new applications for investment commitments (and units) over time, there is a risk that in determining the unit price at any point in time, that the Trustee may not properly estimate transaction costs (including the impact from performance fees and underlying investment costs). Further, the factors upon which such transaction costs may be determined at the time of determining a unit price may change (for example, an accrued amount of performance fee for an underlying investment may decrease or increase significantly) and may affect the accuracy of the unit price calculated.

(s) Contingent Liabilities Risk of Underlying Investments

Investments by the Fund may involve the Trustee being liable for compulsory reinvestment of distributions in accordance with the terms of the documentation for the underlying investment. For example, sometimes when assets are sold from an underlying investment, a warranty may be given to the purchaser for a period of time after the sale. If there is a warranty claim after the sale proceeds have been distributed to Investors, there may be an obligation to clawback a portion of the distribution to meet the liability related to the warranty claim. Consequently, the Trust Deed includes a provision which gives the Trustee the power to require Investors to compulsorily reinvest distributions where the Trustee is required to meet such an obligation. In that regard, Investors may be required to reinvest amounts distributed to them to fund these obligations of the Trustee.

Investors in the Fund acknowledge that the above and other risks exist and notwithstanding the attempts by the Investment Manager to manage the impact of these risks, they cannot be eliminated. The performance of this investment, the repayment of capital or of any particular rate of return, is not guaranteed by the Fund, the Trustee, the Investment Manager, nor their directors, employees or associates.

4 MANAGEMENT OF THE FUND

4.1 Evolution Trustees Limited – the Trustee

About the Trustee

The Trustee has extensive experience as a corporate trustee and custodian, and is a professional trustee.

Evolution Trustees Limited (**ETL** or the **Trustee**) is a professional corporate trustee holding AFS Licence Number 486217.

Evolution Trustees Limited is the Fund's trustee and issuer of this IM. ETL is a business servicing Australian and offshore asset managers and institutions with a select range of fiduciary services including corporate trustee, MIT trustee and responsible entity services. ETL's approach is to tailor its service offering to specifically meet the needs of each structure in a manner which is consistent with Australian laws and regulations. ETL is independent and focused on advancing the best interests of the investors whose money it takes care of.

ETL's responsibilities and obligations as the Fund's trustee are governed by the Fund's Trust Deed, the Corporations Act and general trust law. ETL has delegated the investment management functions to Walsh Bay Partners Pty Limited under an Investment Management Agreement (**IMA**).

ETL reviews the Investment Manager on an ongoing basis to ensure that it is managing the investments of the Fund within the terms of the IMA.

4.2 Walsh Bay Partners Pty Ltd – the Investment Manager

Walsh Bay Partners Pty Ltd (the **Investment Manager**) is a company that provides strategy planning advice and wealth management services to families and endowments. Its founding directors, Messrs Arun Abey, Mark Dutton and Greg Paramor are also the main beneficial shareholders. They have substantial experience, collectively exceeding 100 years, in the financial advice and wealth management industry.

Drawing on this experience, the Company was founded in 2012 to help provide private investors with access to sophisticated investment opportunities which historically have tended to be the preserve of very large institutional investors. The Company believes that the economic environment that has emerged since the Global Financial Crisis of 2007-08 has created potentially valuable opportunities for private investors. Particularly for those with a long term horizon, not needing short term liquidity and with the ability to understand investment strategies that go beyond a focus on mainstream shares and interest bearing investments.

AFS Licence

Walsh Bay Partners is the holder of AFS Licence 487878.

Directors of Walsh Bay Partners Pty Ltd

Arun Abey B.Ec, BA (Hons ANU), FFin FINSIA, Executive Chairman

Arun Abey has had over 30 years' experience as a financial adviser and wealth manager for individuals and institutions in Australia and internationally. He co-founded ipac securities limited (**ipac**) in 1983 which grew to be one of Australia's largest financial advice and wealth management firms. Following the sale of ipac to AXA Asia Pacific Holdings in 2002, Arun continued as Chairman of ipac, while also being appointed to the position of General Manager of Strategy and Corporate Social Responsibility for AXA. He continued in these roles until the sale of the AXA business to AMP Limited in 2011. Arun has co-authored two international best sellers. The first *Fortune Strategy: Investment Management in the Information Age* was widely used as a text in investment courses. His most recent book, *How Much is Enough?: Making Financial Decisions that Create Wealth and Wellbeing*, draws on behavioural research to more deeply understand the behavior of investment markets and how investors can apply this to making wiser decisions that improve both their financial and emotional wellbeing.

Mark Dutton . B.Sc. (Sydney), MBA (Hons, Rochester, USA) FFin Finsia Executive Director and Chief Investment Officer

Mark Dutton has more than 35 years' experience as a senior investment manager, working with business leaders, financial advisers, and wealth management clients to develop and implement sound wealth management strategies. As Chief Investment Officer at AXA, Australia and New Zealand, and a Director of AllianceBernstein, Mark was responsible for approximately \$70 Billion of investment assets. He has been the Chief Investment Officer at ipac, AMP Hendersons, and GIO Asset Management and has been an adviser and investment manager for some of Australia's largest super funds, and not-for profit groups. He has established investment funds in India, South East Asia and the UK. In 2007 Mark received Morningstar's Fund Manager of the Year award on behalf of AXA. Mark's overarching focus has been on connecting investment strategies with the needs of individuals, and helping investors manage the emotional and market challenges to investing wisely and achieve their goals.

Greg Paramor FAPI, FAICD, FRICS, AO Director

Greg Paramor has more than 35 years' experience in the real estate and funds management industry and is the Managing Director of Folkestone Limited, a specialist property funds management group with over \$850m funds under management. Greg was the co-founder of Growth Equities Mutual, Paladin Australia and the James Fielding Group and CEO of Mirvac Group between 2004 and 2008. He is a past president of both the Property Council of Australia and Investment Funds Association. Greg is a director of a number of not-for-profit organisations and is the immediate past Chair of the National Breast Cancer Foundation. Greg is also a board member of the Sydney Swans. Greg received an Order of Australia in 2015 in recognition of his contribution to the community through executive roles in a range of fields, including breast cancer research, sport, the not-for-profit sector and real estate and property investment industries.

5 OPERATING DETAILS OF THE FUND

5.1 Applications

An Investor in the Fund must be a Qualifying Investor, that is a person or entity which qualifies as a wholesale client (as defined in section 761G(7) of the Act), a professional investor (as defined in section 9 of the Act) or a sophisticated investor (as defined in section 761GA of the Act).

To invest in the Fund, please complete an Application Form and return it to TMF Group:

TO: Attn: TMF Group Investor Relations
TMF Group <Walsh Bay Partners Global Infrastructure Fund>
Level 16, 201 Elizabeth Street, Sydney NSW 2000
WBGIFinvestors@tmf-group.com

By completing an Application Form, you will be contractually committed to subscribe for units in the Fund up to the amount of your investment commitment stated in the Application Form at any time as determined by the Trustee.

An Investor's contractual commitment to invest in the Fund for its investment commitment set out in an Application Form is irrevocable. If the Trustee accepts an Investor's application (as set out in the Application Form) in part or full, the amount of the total investment commitment set out in the Application Form will be an irrevocable commitment of the Investor payable by instalments (referred to as **Calls**) as determined by the Trustee. The Trustee will notify Investors when an application to invest in the Fund has been accepted.

An Investor may be required to pay an amount of some or all of its investment commitment at the time of its application, as advised by the Trustee. Thereafter, the Trustee may make Calls against the amount of unpaid investment commitment to meet the capital requirements of the Fund. The number and amount of any Calls on unpaid investment commitments will vary depending on the capital requirements of the Fund and the availability of investment opportunities.

The Trustee will give no less than 5 Business Days' written notice of the requirement to pay any Call before the due date for payment (**Call Date**).

Investors will be issued with units in the Fund equal to the dollar amount of an Investor's Call (net of the Due Diligence Fee) divided by the unit price of the last Business Day in the month the Call is made. Units will be issued in accordance with the NAV formula in the Trust Deed for determining the unit price (taking into account the Trustee's reasonable estimate of transaction costs and accrued performance fees and costs of underlying investments).

It is intended that Calls will be made to Investors in order of when their application to invest in the Fund was accepted (i.e., it is intended that existing commitments in the Fund will be fully called and invested before new additional investment commitments are called and invested). Further, where applications are accepted from two or more Investors on the same date or in the same period, the Call will be proportionate to each investor's investment commitment amount. However, the Trustee retains the discretion to make Calls in respect of commitments in a different order and/or to receive new additional investment commitments

prior to existing commitments being fully called and invested where it is considered in the best interests of Investors to do so, for example, to minimise transactions costs.

Any uncalled investment commitments may be reduced by the Trustee and will be cancelled upon termination of the Fund.

The Trustee reserves the right to accept or reject applications in whole or in part in its absolute discretion. It also reserves the right to accept a lesser amount, or to limit the investment commitment.

Additional Applications

Additional applications can be made at any time the Fund is open for investment, as advised by the Trustee and the Investment Manager.

Issuance of units in the Fund

Units in the Fund will be issued to Investors:

- a) on an Investor's application for its investment commitment, where at the time of application there is an investment opportunity available to the Fund (and the Trustee or the Investment Manager notifies the Investor that an amount of the investment commitment will be required to be paid to subscribe for units in the Fund upon application); and/or
- b) pursuant to a Call made by the Trustee for an Investor to subscribe for units in the Fund (up to the maximum of their unpaid investment commitment).

Investors wishing to invest in the Fund and subscribe for units in the Fund upon application (in the circumstances described in (a) above) must provide a properly executed, complete application form and their application money by 2pm on the 15th of any month (or the last Business Day prior to the 15th if the 15th is not a Business Day) (**Application Month**) (subject to the Trustee's discretion to accept applications within an Application Month after this time). Applications received after this time will be processed the following month (subject to the Trustee's discretion described above).

Units will be issued as soon as practicable, based on the unit price calculated as of the last Business Day of the Application Month (or on such other Valuation Day determined by the Trustee, as applicable). In limited circumstances, an issue of Units may be delayed if there is a delay in valuing the underlying portfolio.

5.2 What Happens if Investors Can't Make a Call?

By submitting an Application Form, an Investor agrees to meet all Calls on its total investment commitment in accordance with the terms specified in the Application Form and the Trust Deed. The ability of the Trustee and Investment Manager to commit uncalled funds to make new investments plays a very important role in the Investment Manager's ability to negotiate access to quality investment opportunities on favourable terms. Once the Trustee, on the Investment Manager's recommendation, has committed to a new investment, significant penalties may be incurred by the Fund if the Trustee is unable to meet this commitment because Investors fail to meet their Calls.

An Investor who does not pay a Call on the due date is liable to the Trustee to pay interest on the outstanding amount at the interest rate determined by the Trustee, which would likely be the interest rate then being charged by a major Australian bank at its corporate overdraft rate plus 8%, compounded daily from the date of payment specified in the Call.

If an Investor defaults on a Call, the Trustee on behalf of the Fund may commence recovery proceedings against that Investor, which may include damages for any additional loss suffered by the Fund as a result of the payment default. Further, if units have been issued to that defaulting Investor which are unpaid, the Trustee may forfeit and cancel those units. In addition, any or all of the paid-up units held by the defaulting Investor are liable to be redeemed or sold by the Trustee.

The Trustee may also recover from the defaulting Investor further moneys to cover any expenses incurred in respect of the forfeiture, redemption or sale of the units and interest on the unpaid money. Neither the Trustee nor the Investment Manager is liable to a defaulting Investor for any loss suffered as a result of such a sale.

After all costs and any remaining shortfall have been paid, any remaining units may be returned to the defaulting investor. Residual sale proceeds, if any, will be returned to the defaulting investor.

Any forfeiture of units will be treated as a disposal for tax purposes, which may have tax implications for Investors (see section 7 'Taxation').

All voting rights and entitlements to distributions of income in connection with forfeited units or units in respect of which an Investor has defaulted are to be suspended until reinstated by the Trustee.

5.3 Who else can operate my investment?

An Investor may wish to appoint a person, partnership or company as their authorised representative by having them sign the relevant section of the Application Form (**Authorised Representative**). An Investor's Authorised Representative will be empowered to act on its behalf in all matters relating to the Investor's holdings in the Fund (including the receipt of payments). Conditions apply to the appointment of an Authorised Representative and are set out in the Application Form.

5.4 Distributions

As an Investor and holder of units you are entitled to participate in any profits or income arising out of the purchase, management, disposal or general investment of the assets of the Fund. The Fund is expected to earn income from dividends, interest, other Australian and international income, realised capital gains and tax deferred income from its investments.

All income received in cash, after fees, except for unrealised capital gains, will be distributed each Distribution Period. It should be noted that sometimes the amount which is treated as a taxable distribution from the Fund may differ from the cash actually distributed. This can occur because the underlying investments in which the Fund invests may include units on which a distribution is made which is taxable for the Fund, but no cash will be received. Similarly, dividends or distributions to which the Fund is entitled may be re-invested into further shares or units. This may result in the unitholders of the Fund incurring a tax liability in the year to which the distribution relates, while not receiving the cash from the Fund. Alternatively, in some instances where the underlying investment is in units in a trust a distribution may be made for which the taxable income is less than the actual cash distributed. In these instances the Fund may pass this cash on to Investors in the Fund as “tax deferred” income.

An Investor’s distribution entitlement for each Distribution Period will be calculated as of 30 June each year. Where a distribution entitlement is to be distributed in cash, the distribution will generally be made within four months after the end of the applicable Distribution Period. The Trustee has the ability to declare and pay interim distributions at other times during the year.

Once a distribution has been declared, unitholders on that day are entitled to receive the distribution. The unit price usually falls by a similar amount to the amount of distribution declared in respect of each unit because the total value of the assets of the Fund will be reduced as a result of the distribution once it is paid.

5.5 Distribution reinvestment

Investors may elect whether to receive their distributions in cash or to have their distributions reinvested in the Fund for additional units by completing the relevant section of the Application Form or, for existing Investors, by advising the Trustee in writing. Where no election is made, distributions will be reinvested. However, if at the time of a distribution reinvestment there are no investment opportunities available to the Fund, then Investors will receive their distributions in cash.

The price of Units issued on reinvestment of distributions is the issue price on the Business Day immediately after the end of the Distribution Period adjusted for the amount distributed.

The Trustee may notify Investors that the distribution reinvestment option has ceased for any particular year and that the distribution for that year will be paid in cash and not reinvested.

Investors should note that there may be circumstances in which the Trustee is required to reinvest a distribution which it has earned from an underlying investment in accordance with

the terms of the documentation for that investment. In such circumstances, the Trustee has power under the Trust Deed to require Investors to compulsorily reinvest their pro-rata share of such distribution. This risk may arise where there is a contingent liability associated with an underlying investment.

5.6 Asset valuations and unit pricing

The general principle is to value the underlying assets of the Fund at their market value. Asset valuations are to be consistent with Australian accounting standards and generally accepted accounting principles.

Unit prices will be calculated in accordance with the NAV formula in the Trust Deed (taking into account the Trustee's reasonable estimate of transaction costs and which may include an equalisation charge for accrued performance fees and the Trustee's estimate of underlying investments' accrued performance fee and costs). Unit prices are calculated on the last Business Day of each month by:

- Calculating the gross value of the Fund's assets and deducting the value of the Fund's liabilities to determine the net asset value of the Fund. Listed investments are generally valued at their most recent closing price. In the case of unlisted investments, valuations will generally be based on the latest valuation supplied by the managers of each investment. The Trustee has a unit pricing policy that documents contingency arrangements for situations where the fair value of assets cannot be determined. For assets valued in foreign currencies, the exchange rate used to convert the value to Australian dollars is based on the latest exchange rate for the relevant currency.
- For the issue Unit price, dividing the net asset value of the Fund (after adding the Trustee's estimate of the transaction costs and the Trustee's estimate of underlying investments' accrued performance fee and costs) by the number of units on issue.
- For the withdrawal Unit price, dividing the net asset value of the Fund (after subtracting transaction costs) by the number of units on issue.

The value of the Fund's assets and liabilities is calculated by the Trustee in accordance with the Trust Deed.

5.7 Redemptions

There is no right of redemption of units from the Fund. Further, there is no formal secondary market in the units for the Fund and nor does the Fund provide a facility for withdrawals. This reflects the objective of the Fund to be able to capture the long term returns from investment in unlisted infrastructure assets. To ensure the integrity of the portfolio and returns for continuing Investors, there is no obligation on the part of the Trustee or Investment Manager to sell assets of the Fund to meet redemption requests. There is no facility for units to be bought back by the Trustee or the Investment Manager. It is important therefore that Investors only invest money in the Fund which they are able to commit for the

very long term.

Notwithstanding there is no right of redemption, an Investor may make a redemption request at any time. It is within the Trustee's discretion as to whether or not it can accept and facilitate a redemption request, having regard to the interests of the unitholders and the Fund as a whole.

The Trustee may, in its discretion, facilitate redemption requests by, for example, making available redemption windows for pro-rata redemption amounts, by arranging to buy-back units or by making a withdrawal offer to all Investors.

Investors should note that it is unlikely the Trustee will be in a position to facilitate any redemption requests prior to 1 January 2031. This is because beyond 2031, some of the planned initial underlying investments of the Fund may be realised which would provide cash back to the Fund which may be used to fund redemption requests.

If after 2031, a majority of Investors (measured by units held) have lodged redemption requests which in the opinion of the Trustee and the Investment Manager are unlikely to be met within three years, then the Trustee and the Investment Manager will consider listing the Fund.

Investors should note that once a redemption request is lodged by a unitholder, it may not be withdrawn without the agreement of the Investment Manager. As stated above, the Trustee may redeem all or part of the units at any time after receiving the request at its sole discretion. The Trustee will provide unitholders with the opportunity to withdraw a redemption request should the Net Asset Value fall more than 5 per cent following the lodging of a request.

5.8 Liquidity

The focus on unlisted assets means that liquidity in the Fund will be very limited. Investment should only be considered by Investors with a very long term investment horizon, without a need for quick or easy liquidity. A portion of the Fund's assets will be invested in close ended vehicles which will liquidate over their term. Realisations of investments in the underlying funds, may align with Investor's redemption requests.

The Fund is considered illiquid under the Corporations Act.

The Investment Manager may maintain a register of persons interested in buying or selling units in the Fund and may assist an Investor to facilitate a novation of their investment commitment or a sale of their units in the Fund. However, there is no facility for units to be bought back by the Trustee or the Investment Manager and there is no obligation upon the Trustee or the Investment Manager to buy-back units or arrange a novation of an Investor's commitment or units. If an Investor transfers or novates their investment commitment to another person, the unpaid commitment will transfer to the new Investor and be reflected in the Fund's register of investment commitments.

5.9 Borrowing

The Fund has the ability to leverage its assets, but will limit borrowings at the Fund level to a level of 40 per cent or less of the gross value of the Fund's assets. The degree of leverage will take into account the level of leverage in underlying investment structures.

5.10 Investor's rights

Investors will have the rights to do the following things by passing a Special Resolution (that is a resolution at a meeting of unitholders passed by unitholders holding at least 66 2/3% of the units in the Fund):

- amend the Trust Deed (other than the provisions relating to fees payable to the Trustee);
- remove the Trustee;
- terminate the Investment Management Agreement;
- wind up the Fund; and
- register the Fund as a registered managed investment scheme and list the Fund, if permitted by the relevant authorities (including the relevant securities exchange).

6 FEES AND COSTS

6.1 Ongoing management fee

There is an ongoing management fee of 1.0% per annum (excluding GST) of the gross value of the Fund's assets. This fee is payable monthly in arrears, from the assets of the Fund. Under the Trust Deed, this fee is payable to the Trustee, who pays part of it to the Investment Manager in accordance with the terms of the Investment Management Agreement.

6.2 Due diligence fee

Investors will pay a due diligence fee of 1.0% (excluding the impact of GST) of the value of new money invested in the Fund. This fee is payable to the Trustee within 10 days after the subscription funds for units being accepted by the Trustee and transferred into the Fund. Under the Trust Deed, this fee is paid to the Trustee, which is on-paid to the Investment Manager (out of the assets of the Fund).

Please refer to section 7 ('Taxation Information') for further information of the GST payable on the fees and expenses.

6.3 Removal fee

Under the Trust Deed, the Trustee is entitled to be paid a removal fee if it is removed as trustee of the Fund by a Special Resolution of unitholders or at the request of the Investment Manager within two years of the commencement of the Fund, other than for gross negligence or for a breach of a fiduciary duty to Investors.

The amount of the removal fee is the amount the Trustee would have received if it had remained the trustee of the Fund for two years from the commencement of the Fund. It is determined based on the gross value of the assets of the Fund at the time that the Trustee is removed.

6.4 Underlying manager fees

The Fund will pay the fees and costs associated with the Fund's investments in underlying funds and infrastructure assets managed by third party managers, including any performance fees. Such amounts are deducted out of the relevant underlying funds' assets or vehicle which holds the relevant infrastructure assets prior to the Fund receiving its distributions and return of capital from such investments.

6.5 Other costs of the Fund

The Trustee is entitled to be reimbursed by the Fund for all expenses and liabilities properly incurred in establishing, managing and administering the Fund. These include but are not limited to costs and expenses incurred in issuing of Units, amending the Trust Deed, taxes, establishing and maintaining registers and accounting records, convening and holding meetings, marketing the Fund and preparing legal documentation.

7 TAXATION INFORMATION

There are taxation implications when investing, redeeming and receiving income and capital from the Fund. Both the Trustee and the Investment Manager cannot give you tax advice on your investment in the Fund.

7.1 Tax treatment of Investors

The precise taxation implications will depend upon each Investor's specific circumstances and we note that tax legislation is subject to change and such changes may be effective retroactively and may adversely affect the contents of this section of the IM.

The taxation position of each Investor may vary depending on the specific circumstances and/or tax profile of the Investor. Australian tax laws are complex. Accordingly all persons should seek their own independent taxation advice before reaching conclusions as to the possible taxation consequences of acquiring, holding or disposing of units in the Fund.

Non-residents of Australia should also consider their domestic tax consequences of their acquiring, holding or disposing of Units and should obtain appropriate advice.

7.2 Other issues

Tax File Number or Australian Business Number declaration

Investors are not required by law to provide a Tax File Number (**TFN**) to the Trustee. However, if a TFN is not quoted, or no appropriate TFN exemption is provided, then the Trustee is required to deduct tax from any income distribution entitlement at the highest marginal tax rate plus Medicare Levy.

For an Investor that made the investment in the Units in the course of an enterprise carried on by it, it may quote their Australian Business Number (**ABN**) rather than their TFN.

Goods and Services Tax (GST)

No GST should generally be payable in respect of the application, withdrawal or transfer of Units in the Fund. Distributions made by the Fund will also not be subject to GST. Each Investor who is registered for GST should consider the recoverability of any GST charged on costs related to their investment in the Fund.

Fees and expenses incurred by the Fund, such as management costs, will generally attract GST at the rate of 10%. Given the nature of the Fund's activities, the Fund will generally not be entitled to claim input tax credits for the full amount of the GST incurred. However, the Fund may be entitled to input tax credits and / or Reduced Input Tax Credits (**RITC**) in respect of the fees and expenses incurred by the Fund.

Taxation Statement

To help you complete your tax return, you will be sent an annual taxation statement for taxation purposes. It will set out the taxable and non-taxable components of the Fund's distributions during the year from the viewpoint of resident Australian Investors.

8 ADDITIONAL INFORMATION

8.1 Related party transactions

The Trustee may from time-to-time face conflicts between its duties to the Fund as trustee, its duties to other funds that it manages (if applicable) and its own interests. The Trustee will manage any conflicts in accordance with the Trust Deed, ASIC policy, its internal conflicts policy (as required as a condition of its Australian financial services license) and the law.

The Trustee may from time-to-time enter into other transactions with related entities. All transactions will be effected at or below market rates, and in accordance with the Corporations Act.

The Investment Manager may enter into transactions including investments with related parties. The Investment Manager similarly manages any conflicts in accordance with ASIC policy, its internal conflicts policy (as required as a condition of its Australian financial services license) and the law. The Investment Manager ensures that any related party transactions and investments of the Fund are made on usual commercial terms and on an arm's length basis or better from the viewpoint of Investors in the Fund.

8.2 Reporting

The Trustee and the Investment Manager will provide the following reporting to Investors:

- A confirmation on receipt of an Application Form.
- An investment confirmation upon issuing Units.
- A six monthly periodic report outlining the implementation of the investment strategy, Fund performance and market commentary regarding the Fund.
- An annual income distribution detailing any investment and distributions paid to you, including an annual tax statement detailing information required for inclusion in your annual income tax return which will be provided within 3 months of the end of each financial year.

In addition, annual financial reports of the Fund will be made available at www.wbpartners.com.au. They will not be sent to you unless requested. This site will also publish the latest NAV and unit price for the Fund.

8.3 Important agreements

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 Investors.

Each unit in the Fund gives an Investor an equal and undivided interest in the assets

attributable to the Fund. However, a unit does not give any Investor an interest in any particular asset of the Fund. Subject to the Trust Deed, an Investor has the following rights:

- The right to share in any distributions.
- The right to attend and vote at meetings of Investors.
- The right to participate in the proceeds of winding up of the Fund.

The Trust Deed contains provisions about convening and conducting meetings of Investors. It also contains provisions setting out the Investor's rights (see section 5.10 above).

The Trust Deed also contains provisions for the Trustee to make Calls upon Investors up to the amount of their investment commitment by giving at least 5 Business Days' notice.

Under the terms of the Trust Deed, the Trustee is entitled to amend the Trust Deed without Investors' approval, where the amendment is administrative in nature and/or not materially adverse to unitholders' rights.

A copy of the Trust Deed is available free of charge by calling the Trustee on 02 8866 5150.

Investment management agreement – Trustee and Investment Manager

There is an Investment Management Agreement between the Trustee and the Investment Manager under which the Investment Manager provides investment management services to the Fund which include –

- the identification and acquisition of assets consistent with the Fund's investment mandate;
- keeping all assets under review and monitoring their performance; and
- using reasonable endeavours to achieve the investment objectives for the Fund.

The Investment Management Agreement contains provisions dealing with matters such as the Investment Manager's obligations to report to the Trustee.

8.4 Privacy

In applying to invest, you are providing the Trustee and the Investment Manager with certain personal details (your name, address etc). The Trustee uses this information to establish and manage that investment for you.

Under the Privacy Act 1988 (Cth) you can access personal information about you held by us, except in limited circumstances. Please let the Trustee know if you think the information is inaccurate, incomplete or out of date. You can also tell the Trustee at any time not to pass on your personal information by advising it in writing.

If you do not provide your contact details and other information required in the Application

Form, then the Trustee may not be able to process your application to invest.

Under various laws and regulatory requirements, the Trustee may have to pass-on certain information to other organisations, such as the Australian Tax Office (**ATO**) or the Australian Transaction Reports and Analysis Centre (**AUSTRAC**).

By applying to invest, you give the Trustee permission to pass information it holds about you to other companies which are involved in helping the Trustee administer the Fund, or where they require it for the purposes of compliance with AML/CTF law (including to pass it on to AUSTRAC and the ATO). The Trustee may also use your information to provide you with details of future investment offers made by the Trustee.

8.5 Anti-money laundering law

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* requires the Trustee to verify your identity prior to accepting your investment. You will be required to provide the identification information set out in the Application Form. The Trustee will not accept your application or issue you with Units unless satisfactory identification documents are provided and your identity is verified in accordance with AML/CTF rules and procedures to the satisfaction of the Trustee.

8.6 Foreign Account Tax Compliance Act (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in assets through non-US entities. If you are a US resident for tax purposes, you should note that the Fund is or is expected to be a 'Foreign Financial Institution' under FATCA and it intends to comply with its FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund will have to obtain and disclose information about certain Investors to the ATO. In order for the Fund to comply with its obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (TIN) (if applicable). We will only use such information for this purpose from the date the Fund is required to do so.

8.7 Common Reporting Standard

The CRS is a tax reporting regime developed by the Organisation for Economic Co-operation and Development (**OECD**). Australia has committed to implementing the CRS by signing the Multilateral Competent Authority Agreement with the OECD and passing appropriate supporting legislation enabling tax information to be exchanged between tax authorities.

From 1 July 2017, the CRS requires financial institutions to identify and report foreign resident account holder information to their local tax authority, which will in turn exchange the information with the tax authorities of participating foreign jurisdictions.

9 GLOSSARY

Actual Return	The percentage movement (positive or negative) in the Unit price for the relevant period.
AFS licence	Australian financial services licence.
AML/CTF	Anti-money laundering and counter-terrorism financing.
Applicant	Someone who applies for an investment commitment to the Fund by submitting an Application Form.
Application Form	The form attached to this IM.
Application Money	The money paid by an Applicant in respect of its investment commitment to subscribe for Units.
Application Month	Has the meaning given to it in section 1, "Application for Units".
Authorised Representative	Has the meaning given to it in section 5.3, "Who else can operate my investment?".
ASIC	The Australian Securities and Investments Commission.
ASX	Australian Securities Exchange.
Business Day	A day on which banks are open for business in Sydney, except a Saturday, Sunday or public holiday.
Calls	Has the meaning given to it in section 1, "Total investment commitment",
Call Date	Has the meaning given to it in section 5.1, "Applications",
Corporations Act	The <i>Corporations Act 2001</i> (Cth) for the time being in force together with the regulations.
Distribution Period	A period of twelve months, ending on 30 June each year. In the first year of the Fund this will be the period from establishment of the Fund to 30 June. In the final year of the Fund this will be the period from 1 July until the termination date of the Fund. The Trustee may amend this date at its discretion.
Fund	Walsh Bay Partners Global Infrastructure Fund.
GST	Goods and Services Tax as defined in <i>A New Tax System (Goods and Services Tax) Act 1999</i> , as amended.
Investment Manager/Walsh Bay Partners	Walsh Bay Partners Pty Ltd ACN 160 258 097.

Investment Management Agreement	The investment management agreement between the Trustee and the Investment Manager in relation to the management of the Fund's assets.
Investor	A person who applies and commits to an investment commitment with the Fund to acquire Units and whose application is accepted by the Trustee.
IM	This information memorandum, including any supplementary information memorandum which we may issue.
NAV	Net asset value.
Qualifying Investor	Wholesale clients (as defined in section 761G (7) of the Corporations Act) or professional investors (as defined in section 9 of the Act) or sophisticated investors (as defined in section 761GA of the Corporations Act).
RITC	Reduced input tax credits.
Special Resolution	A resolution passed at a meeting of unitholders, by unitholders holding at least 66 2/3% of the total issued units in the Fund.
Trust Deed	The trust deed of the Fund dated 4 April 2017, as amended from time to time.
Trustee	Evolution Trustees Limited ACN 611 839 519.
Units or units	Units in the Fund.

10 HOW TO INVEST

Before completing the Application Form you should consider the risks of investment and obtain independent professional advice

Please pay particular attention to all of the risk factors in section 3 of this IM. The risks should be considered in light of your own investment situation.

Where appropriate, you should also consult a financial, taxation or other professional adviser before deciding whether to invest in the Fund.

10.1 Who can invest?

An investment in units in the Fund is only available for persons who qualify as wholesale clients (as defined in section 761G(7) of the Act), professional investors (as defined in section 9 of the Act) or sophisticated investors (as defined in section 761GA of the Act) (collectively, **Qualifying Investors**). The Trustee will not issue units in the Fund to a person unless it is satisfied the person is a Qualifying Investor.

An investment in the Fund may be available to Australian individuals, corporations and other entities who are Qualifying Investors. The Fund is also suitable for investment by self-managed and complying superannuation funds who are Qualifying Investors. An offer to invest in the Fund is not available to Applicants receiving this IM outside of Australia, unless expressly authorised by the Trustee.

Applications must be for a minimum investment commitment of \$500,000 (subject to Trustee discretion to accept lower amounts from a Qualifying Investor).

10.2 How to invest

For an application to be considered, you must return your Application Form by which you will be contractually committed to the investment commitment amount stated in the Application Form and pay the Application Money applicable to the initial investment commitment required for the subscription for units in the Fund at the time of your application (as advised in writing by the Investment Manager or the Trustee). You can pay the Application Money by returning the Application Form with a cheque for the proposed initial investment commitment (as advised in writing by the Investment Manager or the Trustee) or note that the Application Money has been transferred by electronic funds transfer.

Cheques should be either bank cheques or drawn on an account in the name of the Applicant and made payable to "Evolution Trustees Limited (WBPGIF) Application Account".

You are requested to provide your Tax File Number (**TFN**), Australian Business Number (**ABN**) or exemption code to ensure tax is not deducted from the distributions paid.

The Trustee has the sole discretion whether to accept or reject an application. If your application is rejected, wholly or in part, then the Trustee will notify you in writing and arrange

for return of any relevant Application Monies to you.

By sending a completed Application Form, you are making an irrevocable offer to become an Investor in the Fund for the investment commitment stated in the Application Form and you are agreeing to be legally bound by the terms of the Application Form, the Trust Deed and the terms of the IM (as they apply to Investors). A brief summary of the Trust Deed is included at section 8.3 of this IM.

10.3 Application Form instructions

Only legal entities are allowed to invest in the Fund. Applications must be in the name(s) of natural person(s), companies or other legal entities acceptable to the Trustee. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title shown below.

The Application Form should be signed by the Applicant. If a joint holding, all Applicants should sign. If signed by the Applicant's attorney, a certified copy of the power of attorney must be attached to the Application Form. If executed by a company, then the form must be executed in accordance with the Applicant's constitution and the Corporations Act.

Type of investor	Correct form	Incorrect form
Individual	Mr John David Smith	J D Smith
Company	JDS Pty Ltd	JDS P/L or JDS Co
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased estates	Mr Michael Peter Smith <Est Late John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation funds	John Smith Pty Limited <J Smith Super Trust A/C>	John Smith Superannuation Trust

Other Service Providers

Legal Advisors:

Squire Patton Boggs
Level 10, Gateway
1 Macquarie Place
Sydney NSW 2000