EVANS & PARTNERS

Asia Fund

PRODUCT DISCLOSURE STATEMENT

PRODUCT DISCLOSURE STATEMENT
FOR THE ISSUE OF FULLY PAID ORDINARY
UNITS IN THE EVANS & PARTNERS ASIA FUND
(ARSN 624 216 404)

RESPONSIBLE ENTITY:

WALSH & COMPANY
INVESTMENTS LIMITED
(ACN 152 367 649) (AFSL 410 433)

INVESTMENT MANAGER:

EVANS AND PARTNERS INVESTMENT MANAGEMENT PTY LIMITED
(ACN 619 080 045 | CAR 1255 264)

EVANS & PARTNERS ASIA FUND

ARSN 624 216 404

CONTENTS

Important information	3
Investment overview and key dates	5
Key dates	5
About the Fund	5
Fees and costs	6
About the issue	7
1. Key benefits and risks	9
2. Fund overview	11
3. Risks	15
4. Fees and costs	19
5. Financial information	23
6. Investigating acountants report	27
7. Tax information	31
8. Key people	35
9. Additional information	38
10. Glossary	46
11. Directory	48


OLYMPUS
LG

IMPORTANT INFORMATION

This Product Disclosure Statement (**PDS**) is dated 23 March 2018 and a copy of this PDS was lodged with ASIC on that date.

This PDS was prepared and issued by Walsh & Company Investments Limited (ACN 152 367 649) (referred to in this PDS as "**Walsh & Company**", "**we**", "**our**" and "**us**"). Walsh & Company is the responsible entity (**Responsible Entity**) of the Evans & Partners Asia Fund (ARSN 624 216 404) (**Fund**).

This document is important and requires your immediate attention. This PDS contains general financial and other information. It has not been prepared having regard to your investment objectives, financial situation or specific needs. It is important that you carefully read this PDS in its entirety before deciding to invest in the Fund and, in particular, in considering the PDS, that you consider the risk factors that could affect the financial performance of the Fund and your investment in the Fund. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional advisor before deciding whether to invest.

No person other than the Responsible Entity is authorised to give any information or make any representation in connection with the issue of Units which is not contained in this PDS. Any information or representation made by a person other than the Responsible Entity not contained or taken to be contained in this PDS may not be relied on as having been authorised by us in connection with the Fund.

Information relating to the Fund may change from time to time. Where changes are not materially adverse, information may be updated and made available to you on our website at www.asiafund.com.au. A paper copy of any updated information is available free on request from Walsh & Company.

RESTRUCTURING OF ASIAN MASTERS FUND

This PDS is issued in connection with the proposal to restructure Asian Masters Fund Limited (ACN 127 927 584) (**AUF**) from a listed investment company to a managed investment scheme (**Restructure**). The net impact of the Restructure is that, for each share in AUF that shareholders own they will receive a Unit in the Fund, and the Investment Manager of the Fund will implement the investment strategy set out in Section 2.1.

The Restructure will consist of the following key steps:

- AUF to complete redemption of investments in underlying managers;
- AUF to transfer substantially all assets to the Fund;
- the Fund to return the net assets of AUF (less a retention amount for unforeseen liabilities) to shareholders in the form of Units in the Fund to be listed on the ASX; and
- the Fund to invest in a new Asia direct equities portfolio.

The process requires approval from shareholders of AUF (**Shareholders**) for each of the resolutions to approve the Restructure at the Shareholders' Meeting. This PDS assumes all of these conditions are satisfied. At a later stage, AUF will seek shareholder approval to implement a voluntary winding up.

ASX LISTING

Application will be made to the ASX within seven days after the date of this PDS for quotation of Units issued pursuant to this PDS (which is expected to be under the ASX code "EAF").

The fact that the ASX may quote the Units is not to be taken as an indication of the merits of the Fund. ASX quotation, if granted, will commence as soon as practicable after holding statements are despatched.

Neither ASIC nor the ASX takes any responsibility for the contents of this PDS or the merits of the investment to which this PDS relates.

EXPOSURE PERIOD

ASIC requires an exposure period of seven-days after the lodgement of this PDS (**Exposure Period**). The Exposure Period may be extended by ASIC for up to a further seven days. The Exposure Period allows this PDS to be examined by ASIC and investors in the Fund prior to the completion of the Restructure. The Restructure will not occur until after the Exposure Period.

DATE OF INFORMATION

Unless otherwise stated, information in this PDS is current as at the date of this PDS.

IMPORTANT INFORMATION CONT.

CURRENCY AND ROUNDING

Unless otherwise indicated, references to $ are references to the lawful currency of Australia.

Any discrepancies between totals and the sum of all the individual components in the tables contained in this PDS are due to rounding.

NO GUARANTEE

Neither we nor any member of the Evans Dixon group nor any other party makes any representation or gives any guarantee or assurance as to the performance or success of the Fund, the rate of income or capital return from the Fund, the repayment of the investment in the Fund or that there will be no capital loss or particular taxation consequence of investing in the Fund. An investment in the Fund is subject to investment risks. These risks are discussed in Section 3.

RESTRICTIONS ON THE DISTRIBUTION OF THIS PDS

This PDS does not constitute an offer of Units in any place in which, or to any person to whom, it would not be lawful to do so. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and any person into whose possession this PDS comes (including nominees, or custodians) should seek advice on and observe those restrictions.

The issue of Units to which this PDS relates is available to persons receiving this PDS (electronically or otherwise) in Australia. It is not available to persons receiving it in any other jurisdiction.

This document is not an offer or an invitation to acquire securities in any country other than Australia. In particular, this document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States of America (**US**) or to, or for the account or benefit of, any "US person", as defined in Regulation S under the *US Securities Act of 1933* (**Securities Act**) (**US Person**).

This document may not be released or distributed in the US or to any US Person. Any securities described in this PDS have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the US, and may not be offered or sold in the US, or to, or for the account or benefit of, any US Person, except in a transaction exempt from, or not subject to, the registration requirements under the Securities Act.

ELECTRONIC PDS

An electronic version of this PDS is available from the Fund's website at www.asiafund.com.au.

COPY OF THIS PDS

The Responsible Entity will provide you with a paper copy of the PDS free of charge, usually within five days after receiving such a request.

FORWARD LOOKING STATEMENTS

This PDS may contain forward looking statements which are subject to known and unknown risks, uncertainties and other important factors that could cause the actual results, events, performance or achievements of the Fund to be materially different from those expressed or implied in such statements. Past performance is not a reliable indicator of future performance.

ENQUIRIES

Investors with enquiries relating to this PDS should contact the Responsible Entity on 1300 454 801, or via email at info@asiafund.com.au.

GLOSSARY OF TERMS

Defined terms and abbreviations included in the text of this PDS are set out in the Glossary in Section 10.

PHOTOGRAPHS AND DIAGRAMS

Photographs, diagrams and artists' renderings contained in this PDS that do not have accompanying descriptions are intended for illustrative purposes only. They should not be interpreted as an endorsement of this PDS or its contents by any person shown in these images nor an indication of the investments that may be made by the Fund.

INVESTMENT OVERVIEW AND KEY DATES

KEY DATES

Date of PDS	23 March 2018
Date of Shareholders' Meeting	23 April 2018
Implementation date of the Restructure	11 May 2018
Issue Date*	11 May 2018
Trading expected to commence on the ASX*	17 May 2018

*The above dates are indicative only and may vary, subject to the requirements of the Corporations Act and the ASX Listing Rules. The Responsible Entity may vary the dates and times without notice.

ABOUT THE FUND

Key Fund features	Summary	More information
Restructure	This PDS is issued in connection with the proposal to restructure AUF from a listed investment company to a managed investment scheme. The issue of Units in the Fund is subject to a number of conditions, including AUF shareholder approval for each of the resolutions to approve the Restructure at the Shareholders' Meeting. This PDS assumes all of the Restructure conditions are satisfied.	
Fund Type	The Fund is a unit trust which has been registered as a managed investment scheme under the Corporations Act and will apply to be listed on the ASX as an investment entity.	Section 9.3
Proposed ASX code	EAF	
Responsible Entity	Walsh & Company	Section 8.1 Section 8.2 Section 8.3
Term of the Fund	The Fund does not have a fixed investment term and is designed for the long-term investor.	Section 9.3
Investment Manager	Evans and Partners Investment Management Pty Limited (ACN 619 080 045) is the investment manager for the Fund (**Investment Manager**). The Investment Manager is responsible for investment decisions for the Fund.	Section 2.2 Section 8.5 Section 9.2
Portfolio Manager	The Investment Manager has appointed Ted Alexander as Portfolio Manager and Renata Muranaka as Assistant Portfolio Manager of the Fund (**Investment Team**). The Portfolio Manager is responsible for the investment decisions for the Fund.	Section 8.6
Investment objective	To provide attractive risk-adjusted returns over the long-term by investing in high-quality companies in the Asia ex Japan region.	Section 2.1
Investment strategy	The Investment Manager will initially target a concentrated portfolio of 30-50 undervalued securities domiciled in the Asia ex Japan region which may exhibit some or all of the following characteristics: • quality management and good corporate governance standards; • sound business model; • solid financial position; and • sufficient growth to justify a premium over the current price. The Investment Manager intends to provide investors with a portfolio of investments in markets including China, India, Hong Kong, Singapore, South Korea, Taiwan, Indonesia, Thailand, Malaysia, and other Asian countries. The portfolio will be overweight countries and sectors which the Investment Team believe offer greater potential for higher risk-adjusted returns. The Investment Team will actively manage the risk profile of the Fund to provide Unitholders with an appropriate level of down side protection and upside gain as broader investor sentiment in the market fluctuates. The Investment Manager also has the ability to invest up to 20% of the portfolio in securities domiciled outside the Asia ex Japan region to allow for companies that fit within the theme of Asian investment but are domiciled elsewhere. It is not currently intended that the Fund will hedge against currency risk, and as such performance of the Fund will be impacted by currency fluctuations.	Section 2.1 Section 2.2.4 Section 2.8

INVESTMENT OVERVIEW AND KEY DATES CONT.

Key Fund features	Summary	More information
Distribution policy	The Responsible Entity intends to target a cash distribution of 4% per annum based on the NAV at or around the beginning of the relevant distribution period, paid semi-annually (**Target Distribution**). The Responsible Entity expects that the Target Distribution will provide Unitholders with greater certainty on the amount of upcoming distributions however there is no guarantee this target will be achieved. To the extent the Target Distribution cannot be met from income of the Fund, distributions may include a capital component.	Section 2.6
Distribution reinvestment plan (DRP)	The Responsible Entity has established a DRP in respect of distributions. Under the DRP, where Unitholders elect to reinvest up to the Target Distribution in additional Units in the Fund, the Responsible Entity intends to offer Unitholders an issue price which is set at a 5% discount to the NAV. At its discretion, the full cost of the discount will be paid for by the Responsible Entity, in its personal capacity, which may be effected through a partial waiver of fees. Where the Responsible Entity exercises this discretion, there will be no dilutive effect of value as a result of the DRP discount for Unitholders who elect not to participate in the DRP. For any amount of distribution greater than the Target Distribution, the Responsible Entity may require that this amount be reinvested, for which there will be no discount on the unit price. Unitholders will need to include all income distribution in their tax return, even if reinvested.	Section 2.7
Fund borrowings (gearing)	The Responsible Entity does not currently intend to gear the Fund.	Section 2.5
Derivative policy	It is not presently intended that the Fund invests in or use Derivatives.	Section 2.9

FEES AND COSTS

Cost of acquiring the Units	The Responsible Entity will not charge any up-front establishment or application fees on the issue of Units under this PDS. However, there is an implicit cost to acquiring Units, being the costs of the Restructure which, if the Restructure proceeds, will be deducted from the value of the Fund.	Section 4.2 (g)
Ongoing management costs of the Fund	The Responsible Entity will be paid a responsible entity fee of 0.10% p.a. (inclusive of the net effect of GST) on the gross asset value of the Fund and the Investment Manager will be paid a management fee of 1.25% p.a. (inclusive of the net effect of GST) on the gross asset value of the Fund. The Responsible Entity has agreed to bear the cost of all out-of-pocket expenses (excluding transactional and operational costs) it properly incurs in connection with the investment and management of the Fund, indefinitely.	Section 4
Performance fee	The Investment Manager may be paid a performance fee of 10% (inclusive of the net effect of GST) of the excess return of the Fund above the higher of the MSCI Asia ex Japan Net Total Return Index (AUD) (**Index Return Hurdle**) and the yield of 10-year US Government Bonds (**Absolute Return Hurdle**) over each six-month period ending 31 March and 30 September in each year. The first calculation period is from 30 June 2018 to 30 September 2018. Performance fees are expected to accrue weekly but no less than monthly on the NAV and are also subject to the High Water Mark (which can be reset in certain circumstances) and an overall cap.	Section 4

ABOUT THE ISSUE

Key details	Summary	More information
Issuer	The PDS and the Units are issued by Walsh & Company. Units under this PDS are only available to existing AUF shareholders.	Section 8.1 Section 8.2
Issue Price	The effective issue price per Unit is equal to the net assets of AUF (after deduction of costs involved in the Restructure and a retention amount for unanticipated liabilities) which are transferred to the Fund, divided by the number of AUF shares then on issue. Shareholders in AUF will receive one Unit in the Fund for every Share they have in AUF. Based off the proforma balance sheet 31 December 2017, the issue price is expected to be approximately $1.26 per Unit.	Section 5.1
No need to apply for Units	If the resolutions to approve the Restructure are passed and other conditions are met, AUF will apply for Units in the Fund on your behalf, and arrange for them to be issued to you. You will not need to complete an application form.	
The issue price will be paid on your behalf	If AUF applies for Units in the Fund on your behalf as described above, it will also provide the consideration for the issue of the Units, in the form of transfer of assets from AUF to the Fund.	
Minimum Units per Investor	There is no minimum issue amount.	
Underwriting	The issue of Units is not underwritten.	
Cooling off period	As the Fund is to be listed no cooling off period applies under the Corporations Act.	
Further information	For further information contact us on 1300 454 801, or via email at info@asiafund.com.au.	

1. KEY BENEFITS AND RISKS

1.1 KEY INVESTMENT BENEFITS

An investment in the Fund has a number of investment benefits and risks. Key investment benefits and risks are summarised in each of the tables below.

Key benefit		More information
High quality and experienced Investment Team	The Fund has access to an experienced Investment Team with more than a decade of experience in managing global equities and fixed income funds.	Section 8
Access to one of the fastest growing regions in the world	The Fund will provide exposure to Asia ex Japan equity markets. Asia ex Japan is among the fastest growing regions in the world, benefiting from structural growth drivers which should enable this advantage to continue in the decades to come.	Section 2
Geographic and sector diversification benefits	The Responsible Entity believes the Fund offers the opportunity for Australian investors to diversify their investment portfolio beyond equities traded in Australia. The Asia ex Japan region comprises countries at different stages of development, with different economic drivers to Australia, and companies in the region are diversified across a broader range of industries.	Section 2.1(b)
Targeting consistent distributions	Although income from the Fund's portfolio of securities will fluctuate, the Responsible Entity will seek to provide a steady cash flow from the Fund, targeting a cash distribution of 4% per annum based on the NAV at or around the beginning of the relevant distribution period, paid semi-annually. We will endeavour to manage the difference between the Fund's actual income and this target. • Where actual income is more than 4% per annum, the Responsible Entity may require reinvestment of the surplus in the Fund. • Where actual income is less than 4%, topping up the income with a distribution of capital. The amount or frequency of distributions cannot be guaranteed.	Section 2.6
Attractive DRP opportunity	Under the Fund's DRP, Investors may elect to have the Target Distribution reinvested at a 5% discount to NAV. At its discretion, the full cost of the discount will be paid for by the Responsible Entity, in its personal capacity.	Section 2.7
Convenient investment platform	The Fund provides an opportunity to invest in companies domiciled in the Asia ex Japan region through an ASX listed investment vehicle.	Section 9.1

1. KEY BENEFITS AND RISKS CONT.

1.2 KEY INVESTMENT RISKS

As with most investments, the future performance of the Fund can be influenced by a number of risks and factors that are outside the control of the Responsible Entity. A more detailed list of various risks is set out in Section 3 and includes:

Key risk		More information
Investment selection and strategy risk	The Fund's performance depends on the investment decisions made. The Investment Manager may make investment decisions that result in low returns or loss of capital invested.	Section 3.1(b)
Equity risk	There is a risk that the market price of securities will fall over short or extended periods of time. Unitholders are exposed to this risk both through the underlying investments in which the Fund will invest and through general market fluctuations in the price of their Units.	Section 3.1(c)
Foreign issuer risk	The Asian equity markets in which the Fund will invest may differ to the Australian equity market. Investments in foreign companies may be exposed to a higher degree of sovereign, political, economic, market instability, taxation, and corporate governance risks than domestic investments. Such securities may be less liquid, more volatile and more difficult to value. Future foreign government actions in the relevant countries or regions concerning the economy, dealing with foreign entities, repatriation of funds, corporate policies, taxation policies, environmental policies and change in political conditions could have a significant effect on the Fund. Should sovereign risks arise, these could potentially have an adverse impact on the Fund's performance.	Section 3.1(j)
Company specific risk	Investments by the Fund in a company's securities will be subject to many of the risks to which that particular company is itself exposed. These risks may impact the value of the securities of that company, and may include factors such as changes in management, actions of competitors and regulators, changes in technology and market trends.	Section 3.1(j)
Concentration risk	Funds that invest in a relatively small number of securities issuers are more susceptible to risks associated with any one company, single economic, political, or regulatory occurrence than more diversified funds might be.	Section 3.1(f)
Currency risk	The Fund's investments will be primarily denominated in foreign currencies. The value of the Units will be affected by increases and decreases in the value of the Australian dollar against foreign currencies in which investments are held, except to the extent any hedging of the portfolio is implemented. Hedging is not currently intended.	Section 3.1(g)
Liquidity	The Fund is expected to be a listed trust on the ASX. The ability to buy or sell Units will be a function of the turnover of the Units at the time of purchase or sale. To mitigate this risk, the Fund will aim to apply active capital management strategies, and may undertake a buyback of its Units in the event that they trade at a discount to NAV. The Fund is also exposed to liquidity risk in relation to the underlying investments within its portfolio.	Section 3.1(j)
Key personnel risk	There is a risk of departure of key staff with particular expertise in the sector, whether they are the staff or Directors of the Responsible Entity or the Investment Manager, the Portfolio Manager or independent advisors or consultants. These departures may have an adverse impact on the value of the Fund.	Section 3.1(j)

2. FUND OVERVIEW

2.1 FUND OBJECTIVE AND STRATEGY

(a) Investment objective

To provide attractive risk-adjusted returns over the long-term by investing in high-quality companies in the Asia ex Japan region.

(b) Investment strategy

The Investment Manager will initially target a concentrated portfolio of 30-50 securities domiciled in the Asia ex Japan region which are considered to be undervalued and exhibit some or all of the following characteristics:

- quality management and good corporate governance standards;
- sound business model;
- solid financial position; and
- sufficient growth to justify a premium over the current price.

The Investment Manager will invest directly in listed securities and other investments, with an intention to provide investors with a portfolio of investments in markets including China, India, Hong Kong, Singapore, South Korea, Taiwan, Indonesia, Thailand, Malaysia, and other Asian countries.

The portfolio will be overweight countries and sectors which the Investment Team believe offer greater potential for higher risk-adjusted returns. The Investment Team will actively manage the risk profile of the Fund to provide Unitholders with an appropriate level of down side protection and upside gain as broader investor sentiment in the market fluctuates.

The Investment Manager also has the ability to invest up to 20% of the portfolio in securities domiciled outside the Asia ex Japan region to allow for companies that fit within the theme of Asian investment but are domiciled elsewhere.

During a transition period post the Restructure, the Fund will hold residual interests in investment funds previously held by AUF which have a long redemption notice period. Less than 10% of the Fund's portfolio will be held in these investment funds. The Investment Manager intends to redeem these investments as soon as is reasonably practicable.

It is not currently intended that the Fund will hedge against currency risk, and as such performance of the Fund will be impacted by currency fluctuations.

2.2 INVESTMENT PROCESS

2.2.1 MARKET REVIEW

In the first stage of the investment process for the Fund, the Investment Manager will implement a top-down macro approach.

The Fund will invest across diverse Asian markets, with performance impacted by domestic economic conditions, including political risk, along with cross-border trading conditions. The Investment Team will monitor and assess domestic conditions to identify any risks and opportunities that may arise. The Investment Team will determine in which domestic markets they want to hold an underweight position and which domestic markets offer potential outperformance.

Domestic economic and political factors impact securities to varying degrees, with some more impacted by their exposure to global markets, or particular industry trends. For example, the region has many companies in technology markets, and profits for these companies may be driven by global demand for smartphones, PCs, and increasing technology penetration of consumer goods, including the automobile industry. The Investment Team will analyse global sector trends and seek investment opportunities that correlate with positive trends. The Investment Team will generate views on which sectors to hold overweight or underweight positions in the Fund relative to the MSCI Asia ex Japan Net Total Return Index (AUD) (**Benchmark**).

An important consideration is the overall appetite for risk exposure in the Fund. When markets fall, or are volatile, lower risk stocks tend to outperform the market. In bull markets, higher risk stocks tend to outperform. The Investment Team will assess risks in the market and target an appropriate risk profile for the Fund.

These three factors: geographic exposure, sector exposure, and risk exposure, provide a framework to build the portfolio.

2.2.2 IDEA GENERATION

The Asia ex Japan market is screened firstly for securities that have sufficient liquidity to be included in a multi-billion-dollar portfolio from outside the domestic market. From this list of securities, individual companies are identified that are correlated with particular industry, economic, or political trends that the Investment Team has identified. This work is done by the Investment Team, which will seek to gain an understanding of all suitable securities for the portfolio.

2. FUND OVERVIEW CONT.

2.2.3 SECURITY SELECTION

The Investment Team will assess the business model of individual securities that are candidates for inclusion in the portfolio. Drivers for revenue, margins, and capital returns will be identified and considered within the context of the overall Market Review. Corporate governance and company management will be reviewed and assessed. Periodically, the Investment Team will meet with company management as part of this process.

The financial results of individual companies will be reviewed historically and then forecast over an appropriate period, based on fundamental research by the Investment Team. The Investment Team will assess a company's solvency and financial position via the balance sheet, its liquidity and capital return potential from the cash flow statement, and its growth potential from the profit and loss statement.

The financial forecasts will be used to assess whether the security is over-priced or under-priced. This will be done primarily using discount cash flow models, forward earnings forecasts, and backing out an expected return using an implied cost of capital.

The risk of investing in a security will be assessed using realised betas, that is correlated volatility, as well as uncorrelated volatility, and fundamental assessment of the risks to a company's earnings expectations.

Where a company has a sound business model that is in agreement with the Market Review (see Section 2.2.1), strong corporate governance and company management, and is in a solid financial position with sufficient growth to justify a premium over the current market price, adjusted for risk, the security will be a candidate for inclusion in the portfolio.

2.2.4 PORTFOLIO MANAGEMENT

The portfolio will be constructed according to a framework determined by the Market Review (see Section 2.2.1), consisting of securities that have screened positively. The portfolio will seek to be correlated to the economic growth of the Asia ex Japan region, while achieving returns in excess of the Benchmark. The Fund will be able to invest outside of Benchmark components, where there is sufficient correlation to Asian economic factors, but a stock may not meet the technical requirements for the Benchmark.

The Investment Manager will target the following portfolio construction parameters (represented as a proportion of the gross value of the Fund, where applicable) once the Fund is substantially invested:

- 80%-100% in listed equities
- 30-50 securities
- 0%-20% cash
- At time of purchase, or addition to holdings, a maximum weighting of 15% in any security.
- At time of purchase, or addition to holdings, a maximum weighting of 20% in securities domiciled outside the Asia ex Japan region.

The above parameters are expected to be implemented for at least the initial 12-month period following admission of the Fund to the official list of the ASX. Thereafter, the Responsible Entity may make changes to the investment strategy, and, if it decides to do so and where material, will first notify the ASX at least one month prior to implementing such changes.

2.3 INITIAL PORTFOLIO

Subject to market conditions, it is intended the initial portfolio will be substantially invested within three months of the Issue Date.

2.4 CUSTODIAN

The Responsible Entity has appointed JPMorgan Chase Bank, NA (Sydney Branch) (**JPMorgan** or **Custodian**) (ABN 43 074 112 011) as the independent custodian to hold the assets of the Fund. The role of the Custodian is to hold the assets of the Fund as custodian for the Responsible Entity and to deal with the assets only as instructed by the Responsible Entity. The Responsible Entity's relationship with the Custodian is governed by the Custody Agreement. It is not the role of the Custodian to protect the rights and interests of the Unitholders.

JPMorgan is a top three custody provider globally with US$21.1 trillion under custody. JPMorgan has depth and breadth of capability across global markets, client types, and fund structures with over four decades of experience in safekeeping services.

Neither the Custodian nor any member of the JPMorgan group of companies makes any representations as to, and does not guarantee the return of, any investment, maintenance of capital, any tax deduction availability or the performance of the Fund.

2.5 BORROWINGS POLICY

The Responsible Entity does not presently intend to gear the Fund's portfolio. Circumstances may occur whereby short-term borrowing is deemed beneficial and, should this eventuate, the Fund may borrow. The Responsible Entity intends to limit borrowings to 10% of the total assets of the Fund.

2.6 DISTRIBUTIONS POLICY

The Responsible Entity intends to target a cash distribution of 4% per annum based on the NAV at or around the beginning of the relevant distribution period, paid semi-annually. In addition to the distribution target, the Responsible Entity will also consider, in its absolute discretion, a number of factors in deciding the level of distributions to be paid, including the following:

- the operating income of the Fund;
- the distribution and dividend profile of the underlying portfolio;
- maintaining a stable distribution profile of the Fund; and
- any taxation implications for Unitholders or the Fund.

To the extent the Target Distribution is not able to be met from income of the Fund, distributions may include a capital component. The responsible entity may also require reinvestment of any surplus above the Target Distribution. See Section 2.7 for further information.

2.7 DISTRIBUTION REINVESTMENT PLAN

The Responsible Entity has established a DRP in respect of distributions.

Under the DRP, Unitholders may elect to have all or part of their Target Distribution reinvested as additional Units in the Fund. The Responsible Entity intends to offer Unitholders who elect to participate in the DRP in respect of the Target Distribution an issue price which is set at a 5% discount to NAV. At its discretion, the full cost of the discount will be paid for by the Responsible Entity, in its personal capacity, which may be effected through a partial waiver of fees. Where the Responsible Entity exercises this discretion, there will be no dilutive effect as a result of the DRP discount for Unitholders who elect not to participate in the DRP.

The Responsible Entity may require that any distribution greater than the Target Distribution be reinvested in accordance with the DRP. For any amount of distribution greater than the Target Distribution, the Responsible Entity may require that this amount be reinvested, for which there will be no discount on the Unit price. Unitholders will need to include all income distributions in their tax return, even if reinvested.

2.8 FOREIGN EXCHANGE HEDGING POLICY

The Fund does not presently intend to hedge against currency risk. The Fund may re-evaluate the hedging policy in the event of changes to the prevailing exchange rates and economic conditions.

2.9 DERIVATIVE POLICY

The Fund does not presently intend to invest in or use Derivatives. Circumstances may occur where the Responsible Entity and the Investment Manager determine to invest in or use Derivatives in the future.

2.10 COMPLIANCE FRAMEWORK

The Responsible Entity has a compliance framework in place that includes maintaining a compliance plan and a compliance committee.

The compliance plan sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the Constitution when operating the Fund. The compliance committee, comprising a majority of external members, will monitor the Responsible Entity's compliance with the compliance plan. The Responsible Entity's compliance with the compliance plan will be audited externally on an annual basis.

The compliance framework also addresses risk management, borrowings, valuation, related party transactions, conflicts, continuous disclosure, training, disaster recovery, and other elements.

2. FUND OVERVIEW CONT.

2.11 CASH POLICY AND WORKING CAPITAL

The Fund's policy is to hold cash in cash deposits, cash equivalents, and interests in cash management trusts pending deployment into suitable investment opportunities or to meet anticipated distributions or working capital requirements. The Fund will target a cash holding of up to 20%.

2.12 RAISING FURTHER CAPITAL

The Responsible Entity may, at a future date, decide to raise further capital for the Fund. A further capital raising may be contemplated if there is significant demand for investment in the Fund, there remains attractive portfolio investment opportunities which the Responsible Entity and Investment Manager can pursue with additional capital, and where this would be beneficial to existing Unitholders. The Responsible Entity may need to seek approval of Unitholders at a meeting if the capital sought to be raised would exceed the limits for new issues of securities under the ASX Listing Rules.

2.13 CAPITAL MANAGEMENT POLICY

Subject to any restrictions imposed under the Corporations Act, the ASX Listing Rules, and the Fund's Constitution, the Fund aims to apply active capital management strategies.

The Fund may undertake a buyback of its Units in the event that they trade at a discount to NAV. The Fund will need to obtain Unitholder approval for the buyback and comply with any Corporations Act, ASX Listing Rules and Constitution restrictions if it intends to buyback more than 10% of the smallest number of Units on issue over the previous 12 months. To fund the buyback of Units, the Fund may look to liquidate some of its investments and, although not presently intended, may employ gearing up to the limit stated in Section 2.5.

2.14 VALUATION POLICY

The Responsible Entity may determine valuation methods and policies for the Fund and amend them from time to time, provided that the valuation methods and polices are consistent with the accounting principles set out in Section 5.3, within the range of ordinary commercial practice, and the valuation produced is reasonably current at the time of issue or redemption of Units.

2.15 REPORTS TO UNITHOLDERS

The Responsible Entity intends to provide Unitholders with:

- periodic reports setting out Unitholder account details;
- quarterly updates on key information about the Fund including performance updates;
- half-yearly auditor reviewed reports;
- annual audited reports;
- annual distribution advice statements (as applicable);
- regular income tax statements; and
- monthly Net Tangible Asset updates.

The Responsible Entity will also comply with all laws and the ASX Listing Rules as they relate to reports to be provided to Unitholders. For further information, please visit www.asiafund.com.au.

2.16 ETHICAL CONSIDERATIONS

The Investment Manager's investment decisions in respect of the Fund are primarily based on economic factors, and they do not specifically take into account labour standards or environmental, social or ethical considerations in the selection, retention, or realisation of investments.

3. RISKS

3. RISKS

Prior to investing, you should consider the risks involved in investing in the Fund and whether the Fund is appropriate for your objectives and financial circumstances. You should read this PDS in its entirety to gain an understanding of the risks associated with an investment in the Fund.

This PDS contains forward-looking statements based on certain assumptions that are inherently uncertain. Actual events and results of the Fund's operations could differ materially from those anticipated. Some of the risks may be mitigated by the use of safeguards and appropriate systems and actions, but some are outside the control of the Responsible Entity and cannot be mitigated.

The Responsible Entity does not guarantee any rate of return in terms of income or capital or investment performance of the Fund. The value of the Units will reflect the performance of the investments made by the Fund and current market conditions. There can be no certainty that the Fund will generate returns or distributions to the satisfaction of Unitholders.

The Fund should not be seen as a predictable, low risk investment. The Fund's investments are expected to be concentrated in listed securities, and the Fund is therefore considered to have a higher risk profile than cash assets.

Investors can undertake several steps to help minimise the impact of risk. First, seek professional advice suited to your personal investment objectives, financial situation, and particular needs. Secondly, only make investments with a risk level and time frame recommended by your professional advisor.

This section describes the areas the Responsible Entity believes to be the major risks associated with an investment in the Fund. These risks have been separated into specific investment risks and general investment risks.

It is not possible to identify every risk associated with investing in the Fund. Prospective investors should note that this is not an exhaustive list of the risks associated with the Fund.

3.1 RISKS SPECIFIC TO THE FUND

(a) INVESTMENT MANDATE

The Fund's objective is to provide investors with returns that are consistent with the growth of the Asia ex Japan region over the long-term. Section 2 of this PDS outlines the portfolio investment process for investment selection, however none of the Fund, the Investment Manager nor any other person guarantees the performance of the securities selected for the portfolio, or the amount of income or performance of the Fund.

(b) INVESTMENT SELECTION AND STRATEGY RISK

The Fund's performance depends on the investment decisions made.

The Investment Manager may make investment decisions that result in low returns or loss of capital invested. This risk may be mitigated to some extent by the resources available to the Investment Manager.

The success and profitability of the Fund will largely depend on the Investment Manager's ability to manage the portfolio in a manner that complies with the Fund's objectives, strategies, policies, guidelines, and permitted investments. If the Investment Manager fails to do so, the Fund may not perform well. There are risks inherent in the investment strategy that the Investment Manager will employ for the Fund.

(c) EQUITY RISK

The price of securities listed on securities exchanges can change considerably over time, and the market value of your investment is expected to increase and decrease with the value of the portfolio. Unitholders are exposed to equity risk both through their holdings in the underlying investments in which the Fund will invest and through market fluctuations in the price of their Units. As with most investments, performance is not guaranteed. These risks may result in loss of income and principal invested.

The Fund may also invest at an unfavourable point of the investment cycle. The Investment Manager may invest funds at higher prices than those available soon after and may redeem investments at lower prices than those that were recently available or that may have been available soon thereafter.

In the future, the sale of large parcels of Units may cause a decline in the price at which the Units trade. This may mean that the Fund may not trade in line with the underlying value of the portfolio. No assurances can be made that the performance of the Units will not be adversely affected by any such market fluctuations or factors. None of the Fund, the Responsible Entity, the Investment Manager or any other person guarantees the performance of the Units.

3. RISKS CONT.

(d) FOREIGN ISSUER RISK

The Fund's investment objective and strategy are focused on securities in the Asian ex Japan region. Investments in foreign companies may be exposed to a higher degree of sovereign, political, economic, market instability, taxation, and corporate governance risk than domestic investments. Such securities may be less liquid, more volatile and more difficult to value. Certain countries have legal, accounting, taxation and auditing regimes which may result in lower transparency, lower quality investor information, and relatively limited investor rights, for example when unconventional corporate structures are used by foreign issuers.

Future foreign government actions in the relevant countries or regions concerning the economy, dealing with foreign entities, repatriation of funds, corporate policies, taxation policies, environmental policies and change in political conditions could have a significant effect on the Fund.

Should sovereign risks arise, these could potentially have an adverse impact on the Fund's performance.

(e) COMPANY SPECIFIC RISK

Investments by the Fund in a company's securities will be subject to many of the risks to which that particular company is itself exposed. These risks may impact the value of the securities of that company, and may include factors such as changes in management, actions of competitors and regulators, changes in technology and market trends.

(f) CONCENTRATION RISK

Generally, the more diversified a portfolio, the lower the risk that an adverse event pertaining to one company or sector has a material impact on the overall portfolio. Focusing investments in a small number of securities issuers, industries or countries increases the risk. Funds that invest in a relatively small number of securities issuers are more susceptible to risks associated with a single economic, political, or regulatory occurrence than more diversified funds might be.

(g) CURRENCY RISK

The Fund's investments will be primarily denominated in foreign currencies. The value of the Units will be affected by increases and decreases in the value of the Australian dollar against foreign currencies in which investments are held, to the extent of any unhedged portion of the portfolio. The Fund does not currently intend to hedge against currency risk. Once invested, an increase in the value of other currencies against the Australian dollar, all else equal, will mean the NAV of the Fund will be worth more when converted into Australian dollars, but if the value of the other currencies fall against the Australian dollar, the NAV will be worth less in Australian dollar terms.

Volatility in the prevailing exchange rates in the markets in which the Fund invests is also likely to cause volatility to any income of the Fund, and in turn, income distributions from the Fund.

The value of the Australian dollar has been subject to significant fluctuations with respect to foreign currencies in the past and may be subject to significant fluctuations in the future.

(h) LIQUIDITY RISK

The Fund is expected to be a listed trust on the ASX however there can be no guarantee that there will be a liquid market for Units. The ability to buy or sell Units will be a function of the turnover of the Units at the time of purchase or sale. To mitigate this risk, the Fund will aim to apply active capital management strategies, and may undertake a buyback of its Units in the event that they trade at a discount to NAV.

The Fund is also exposed to liquidity risk in relation to the underlying investments within its portfolio.

(i) EXPERIENCE OF THE RESPONSIBLE ENTITY AND INVESTMENT MANAGER RISK

The Responsible Entity and Investment Team have more than a decade of experience in managing global equities and fixed income funds. However, the Investment Manager has no direct track record of managing a portfolio of Asian direct equities and there can be no guarantee that the Responsible Entity and Investment Manager will be able to achieve the Fund's objectives or that the Investment Manager will be able to locate appropriate investment opportunities. However, the Evans Dixon Group currently manages investment funds with total assets of over $5 billion and has been successfully managing international investments for over a decade. The recent hire of Ted Alexander as Portfolio Manager brings significant investment and portfolio management experience across global markets including Asia.

(j) KEY PERSONNEL RISK

There is a risk of departure of key staff or consultants with particular expertise in the sector, whether they are the staff or Directors of the Responsible Entity or the Investment Manager, the Portfolio Manager or independent advisors or consultants. This may have an adverse impact on the value of the Fund.

(k) DERIVATIVE RISK

The Fund may use Derivatives for hedging purposes. The hedging strategies employed by the Fund may fail to hedge the exposure of the Fund to the extent desired, leading to realised returns different from those expected.

The Fund may also invest in Derivatives. There is a risk that the value of Derivatives may fluctuate significantly due to a range of factors that include rises or falls in the value of the Derivative in line with movements in the value of the underlying asset, potential liquidity of the Derivative, and counterparty credit risk. As a result, potential gains or losses may be magnified.

It is not presently intended for the Fund to use or invest in Derivatives.

(l) GEARING AND INTEREST RATE RISK

While there is no current intention to do so, if the Fund is geared, the level of gearing, the costs of borrowing and the applicable interest rates will impact returns.

If utilised, gearing may amplify the Fund's gains if the market value of the portfolio appreciates however, may also amplify losses if the market value of the portfolio declines. Any loans secured by the portfolio could result in the lender forcing the liquidation of investments at a loss or not at a time of the Investment Manager's choosing.

The cost of borrowing may reduce the returns of the Fund.

Should the Fund obtain borrowings, changes in interest rates may have a positive or negative impact directly on the Fund's income. Changes in interest rates may also affect the market more broadly, and positively or negatively affect the value of the Fund's underlying assets.

(m) LONG TIME HORIZON

Investing in capital growth focussed investments requires a longer-term commitment to other asset classes, and this may mean that realisation of value through capital growth may be similarly timed. In addition, a longer time horizon increases the risk of exposure to market volatility.

(n) SUBSTANTIAL UNCOMMITTED FUNDS

Subject to market conditions, the initial assets of the Fund may be retained in cash until appropriate investment opportunities arise. Given the current low interest rate environment, the likely income to be generated by the Fund from cash investments may be significantly lower than that which might be received from investment in equities.

Subject to market conditions, it is intended the initial portfolio will be substantially invested within three months of the Issue Date.

(o) RELATED PARTY TRANSACTION RISK

The Responsible Entity will transact with related parties. There are a number of related party transactions described in this PDS. See Section 9.5 for further information.

Conflicts of interest may arise in these circumstances where there is a risk that the interests of one party or the Unitholders may diverge from the interests of the other party. The Responsible Entity has a conflict of interest and related party transaction policy for the Fund to assist in managing this risk.

(p) DISTRIBUTION POLICY RISK

The Responsible Entity intends to target a cash distribution of 4% per annum based on the NAV at or around the beginning of the relevant distribution period, paid semi-annually. The nature of the Fund's investments in equity securities means that it is unlikely that the actual income of the Fund will be exactly 4% per annum.

There may be circumstances where the Target Distribution is not paid, or is paid from capital of the Fund. Payments out of capital will reduce a Unitholder's cost base. See Section 7 for further information.

There may also be circumstances where income is above the Target Distribution and a portion of a distribution in a particular period may be required to be reinvested as additional Units in the Fund. In such circumstances, there is a risk the distribution received by Unitholders in cash may be insufficient to cover a Unitholder's tax payable on the total distribution.

(q) DRP ISSUE PRICE RISK

Units issued under the DRP in respect of the Target Distribution are issued at a discount to NAV. Because Units issued under the DRP are issued at the NAV per Unit or a discount to the NAV per Unit, there is a risk that the DRP issue price could be at a premium to the trading price of Units on ASX.

3.2 GENERAL INVESTMENT RISKS

(a) MACROCECONOMIC RISKS

Investment returns are influenced by numerous economic factors. These factors include changes in economic conditions (e.g. changes in interest rates or economic growth), changes in the legislative and political environment, as well as changes in investor sentiment. In addition, exogenous shocks, natural disasters and acts of terrorism and financial market turmoil (such as the global financial crisis) can (and sometimes do) add to equity market volatility as well as impact directly on individual entities. As a result, no guarantee can be given in respect of the future earnings of the Fund or the earnings and capital appreciation of the Fund's portfolio.

(b) FUND RISK

This is the risk that the Fund could terminate, the fees and expenses of the Fund could change, the Responsible Entity could retire or be removed, or the Investment Manager may change.

There is also a risk that investing in funds may give different results from holding the underlying investments directly.

(c) TAXATION RISK

There are risks that the tax consequences for an individual Investor or for the Fund with regard to income tax (including capital gains tax), duty, and other taxes may differ from the tax consequences described in Section 7 of this PDS.

Changes to taxation laws and policies in Australia and other countries to which the Fund has exposure to through the portfolio (including any changes in relation to how income of the Fund is taxed or in relation to the deductibility of expenses) might adversely impact the Fund and Unitholder returns. Changes in revenue law or policy and other legal or regulatory changes often cannot be foreseen. The Responsible Entity will attempt to respond to any such changes prudently.

(d) GOVERNMENT POLICY

Changes in government, monetary policies, taxation, and other laws and actions (including such matters as compliance with environmental regulations) in the relevant countries or regions can have a significant influence on the outlook for underlying companies and, in turn, affect the Fund's performance.

(e) REGULATORY RISK

The Fund is exposed to the risk of changes to applicable laws, including but not limited to enforcement of its rights or the interpretation of applicable laws, which could have a negative effect on the Fund, its investments or returns to Unitholders.

(f) UNFORESEEN EXPENSES

The proposed expenditure on the Fund's activities may be adversely affected by any unforeseen expenses which arise in the future and which have not been considered in this PDS.

3.3 INVESTOR CONSIDERATIONS

Before deciding to apply for Units, Applicants should consider whether this is a suitable investment.

There may be tax implications arising from the issue of Units, the receipt of distributions from the Fund and on the disposal of Units. Applicants should carefully consider these tax implications, including as disclosed in Section 7 of this PDS, and obtain advice from an accountant or other professional tax advisor in relation to the application of tax legislation.

If you are in doubt as to whether you should subscribe for Units, you should seek advice on the matters contained in this PDS from a stockbroker, solicitor, accountant or other professional advisor.

4. FEES AND COSTS

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial advisor.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission** (**ASIC**) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

4.1 FEES AND OTHER COSTS

This document shows fees and costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment, or from the assets of the Fund as a whole. Taxes are set out in Section 7 of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TABLE 1: FUND FEES AND COSTS

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable

4. FEES AND COSTS CONT.

Type of fee or cost	Amount	How and when paid
Management costs – the fees and costs for managing your investment		
Ongoing Costs of the Fund		
Responsible Entity fee The fee for operating the Fund	0.10%[1,2] per annum of the gross asset value of the Fund.	This fee is payable monthly out of the Fund to the Responsible Entity.
Investment Management fee The fee for the investment management of the Fund.	1.25%[1,2] per annum of the gross asset value of the Fund.	This fee is payable monthly in arrears to the Investment Manager out of the Fund.
Performance fee The fee based on performance of the Fund.	10%[2] of the return achieved above the higher of the Index Return Hurdle and the Absolute Return Hurdle. The Responsible Entity has estimated performance fee to be 0.25%[2,3] per annum on the gross asset value of the Fund.	A performance fee may be payable out of the Fund and is assessed twice annually.
Service Fees		
Switching fee The fee charged for changing investment options.	Nil	Not applicable

[1] These fees are stated based on gross asset value of the Fund, to reflect the Constitution and the Investment Management Agreement. These are the same as the fee amounts based on net asset value of the Fund that are used to calculate the indirect cost ratio which is applied in the example of fees and costs in Table 2, while the Fund does not have any borrowings or other credit or accrual balances. Borrowing is not currently intended. The amount of these fees may be different if agreed with a wholesale client.

[2] These amounts include the net amount of GST.

[3] The Fund does not have a performance history. The estimated performance fee represents the Investment Manager's reasonable estimate of the prospective performance fee. No person guarantees the future performance of the Fund, the amount of timing of any return from it, or that it will achieve its investment objectives.

TABLE 2: EXAMPLE OF ONGOING ANNUAL FEES AND COSTS FOR AN INVESTMENT IN THE FUND

This table gives you an example of how the ongoing annual fees and costs for this managed investment product can affect your investment over a one-year period. You should use this table to compare this product with the ongoing fees and costs of other managed investment products.

Example – the Fund	AMOUNT[1]	BALANCE OF $50,000[2]
Contribution fees	Nil	Not applicable
Plus Management costs	1.60%[3]	AND, for every $50,000 you have in the Fund, you will be charged $800 each year.
Equals Cost of Fund	1.60%[3]	If you had an investment of $50,000 during a year you would be charged fees for that year of **$800**.

[1] The fees in Table 2 are inclusive of the net amount of GST.

[2] Please note that this is just an example. In practice, the actual investment balance of an investment will vary daily and the actual fees and expenses charged are based on the value of the Fund, which also fluctuates daily.

[3] This management cost amount consists of the Responsible Entity Fee, the Investment Management Fee and an estimated Performance Fee that in the Investment Manager's opinion, reflects a reasonable performance fee estimate.

4.2 ADDITIONAL EXPLANATION OF FEES AND COSTS

(a) RESPONSIBLE ENTITY FEE

The Responsible Entity will charge a responsible entity fee for the operation of the Fund of 0.10% per annum (inclusive of the net effect of GST) of the gross asset value of the Fund, subject to paragraph (i) below.

(b) INVESTMENT MANAGEMENT FEE

The Investment Manager will charge an investment management fee of 1.25% per annum (inclusive of the net effect of GST) of the gross asset value of the Fund, subject to paragraph (i) below.

See Section 9.2 for further information.

(c) PERFORMANCE FEE

The Investment Manager may be entitled to a performance fee, payable by the Fund. Performance fees are calculated with reference to the Index Return Hurdle and Absolute Return Hurdle, and are subject to a High Water Mark requirement (which can be reset in certain circumstances) and an overall cap. The details of the calculation methodology and the hurdles are set out below. The NAV per Unit (expected to be calculated weekly but at least monthly) includes an accrual for an estimate of the performance fee that would be payable if it were the end of a Calculation Period.

Calculation Methodology

The Fund's Total Return per Unit (**Total Return**) is the dollar movement in its NAV per Unit during the Calculation Period (adjusted for any income or capital distributions and before any accrued performance fees during that Calculation Period). Adjustments will be made for any capital re-organisations such as Unit divisions or consolidations. Calculation Periods end on 31 March and 30 September of each year. The first Calculation Period is from 30 June 2018 to 30 September 2018.

The Fund's Excess Return per Unit (**Excess Return**) is its Total Return less the higher of the Index Return Hurdle and Absolute Return Hurdle, expressed in dollar terms.

The performance fee per Unit is 10% of the Excess Return (inclusive of the net effect of GST), subject to paragraph (i) below. The total performance fee is the performance fee per Unit multiplied by the number of Units on issue at the end of the Calculation Period.

The Investment Manager will only be entitled to a performance fee where the NAV per Unit at the end of the Calculation Period exceeds the applicable High Water Mark. The High Water Mark is the NAV per Unit at the end of the most recent Calculation Period for which the Investment Manager was entitled to a performance fee, adjusted for any intervening income or capital distributions. For the first Calculation Period, the High Water Mark is taken to be the NAV as at 30 June 2018. Should the index used to calculate the Index Return Hurdle fall more than 20% from the level of that benchmark at the date the current High Water Mark was set, then the Manager may choose to reset the High Water Mark at the NAV as at the end of the Calculation Period during which the High Water Mark reset was triggered. Furthermore, the fee to which the Investment Manager is entitled will be subject to a performance fee cap such that the NAV per Unit (after the performance fee has been paid) is not less than the applicable High Water Mark.

Performance Hurdles

Index Return Hurdle

The Index Return Hurdle for the Fund is the return (expressed as a percentage) of the MSCI Asia ex Japan Net Total Return Index (measured in US dollars and converted to Australian dollars) over the Calculation Period.

Absolute Return Hurdle

The applicable Absolute Return Hurdle for the Fund is the published 10-year US Government Bond yield as at the first Business Day of the Calculation Period, pro-rated for the number of days in the Calculation Period.

(d) EXPENSES RELATING TO THE MANAGEMENT OF THE FUND

The Responsible Entity is entitled to be reimbursed, out of the assets of the Fund, for all out-of-pocket expenses it properly incurs in the operation and administration of the Fund. This includes expenses such as audit and registry fees, custodian fees, valuation fees, taxes and bank fees, preparation of financial statements, accounting fees, all listing fees, tax returns, and compliance costs.

The Investment Manager is entitled to be reimbursed, out of the assets of the Fund, for all out-of-pocket expenses it properly incurs in connection with the investment and management of the Fund. This includes expenses such as transaction fees, duties, taxes, commissions, and brokerage.

4. FEES AND COSTS CONT.

The effect of these expenses on your investment will be dependent on the costs and size of the Fund.

The Responsible Entity and the Investment Manager have agreed to bear the cost of these expenses, with the exception of transactional and operational costs that are incurred by the Fund when the Fund acquires and disposes of securities, indefinitely, subject to paragraph (e) below.

(e) WAIVER, DEFERRAL OR INCREASE IN FEES AND COSTS

Walsh & Company, in its capacity as Responsible Entity, and Evans and Partners Investment Management Pty Limited, in its capacity as Investment Manager, may waive or defer the payment of their fees and costs or accept payment of lower fees and costs in any amount and for any period they determine. They may also reinstate the payment of fees and costs up to the previous levels on a prospective basis only. They may also increase fees beyond the amounts stated in this PDS up to the prescribed maximum amount in the Constitution and the Investment Management Agreement, as applicable (see paragraph (i) below), but if this occurs, Unitholders will be given at least 30 days' notice by a market announcement.

(f) INVESTOR ADMINISTRATION

If the Responsible Entity is requested by a Unitholder to perform a role outside its normal administration function as contemplated by the Constitution and this PDS, there may be a fee payable for such role. The fee will vary depending on the request by the Unitholder and will be disclosed to the Unitholder before any work is commenced.

(g) COST OF ACQUIRING UNITS - RESTRUCTURE

The Responsible Entity will not charge any up-front establishment or application fees on the issue of Units under this PDS. However, there is an implicit cost of acquiring Units, being the costs of the Restructure which, if the Restructure proceeds, will be deducted from the Fund. It is estimated that this amount will represent approximately 1.4% of the net asset value of AUF. It comprises general expenses incurred in the Restructure of approximately 0.15% of the net asset value of AUF, and a fee of 1.25% of the net asset value of AUF, payable to a division of a related body corporate of the Responsible Entity, Walsh & Company Corporate Advisory.

(h) BENEFITS TO THE RESPONSIBLE ENTITY

Except for the interest, fees and remuneration disclosed in this PDS, the Responsible Entity and its Directors and employees have not received, and are not entitled to, any benefit in relation to this PDS.

Subject to law, Directors may receive a salary as employees of the Responsible Entity or an affiliate, consulting fees or directors' fees, and may from time to time hold interests (directly or indirectly) in the Units in the Fund or shares in Walsh & Company and receive distributions and dividends in that capacity. Directors and other associates of the Responsible Entity may acquire Units on the same basis as other investors under this PDS, or on the ASX.

(i) MAXIMUM FEE ENTITLEMENTS

Certain fees are charged at a lower rate than the maximum rate contemplated by the relevant agreement. While it is not currently intended that these fees will increase, no increase will be made without 30 days' prior notice to Unitholders.

The Responsible Entity is entitled to charge 0.15% (exclusive of GST) per annum of the gross asset value of the Fund for the operation of the Fund, and an administration fee of 0.35% (exclusive of GST) per annum of the gross asset value of the Fund.

The Investment Manager is entitled to charge 1.5% (exclusive of GST) per annum of the gross asset value of the Fund and 20% (exclusive of GST) of the return achieved above the higher of the Index Return Hurdle and the Absolute Return Hurdle.

See Section 9.2 for further information.

(i) GST AND TAX

Where a fee is disclosed as inclusive of the net effect of GST (that is, taking into account input tax credits or RITCs), the amount has been calculated on the basis that a RITC of the GST component is available. Whilst this entitlement is dependent on the individual circumstances, as a general proposition, it is anticipated that the Fund may be able to recover at least 55% of the GST component of fees paid for services (for offshore investments this may be as high as 100%), whether under the reduced credit acquisition provisions of the GST Act or otherwise. There are circumstances where the GST recovery rate could vary from that outlined above.

Taxation implications are addressed in Section 7.

5. FINANCIAL INFORMATION

5.1 PRO FORMA STATEMENT OF FINANCIAL POSITION

The unaudited summary pro-forma statement of financial position set out below takes account of certain post-balance date transactions of Asian Masters Fund Limited (**AUF**) and implementation of the Restructure as set out in Section 5.2. It is intended to be illustrative only and neither reflects the actual position of the Fund as at the date of this PDS nor at implementation of the Restructure. In particular, it does not reflect actual expenditure of AUF funds or any change in the underlying value of investments since 31 December 2017.

The pro forma Statement of Financial Position has been prepared in accordance with the significant accounting policies set out in Section 5.3.

The pro forma Statement of Financial Position is presented in summary form only and does not comply with the presentation and disclosure requirements of Australian Accounting Standards.

The information in this section should be read in conjunction with the risk factors set out in Section 3 and the other information included in this PDS.

TABLE 4: UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION OF THE FUND AT THE RESTRUCTURE IMPLEMENTATION DATE

$'000 (unless otherwise stated)	**PROFORMA BALANCE SHEET 31 DECEMBER 2017 POST-RESTRUCTURE (FUND)**
Cash and cash equivalents	151,686
Financial assets	14,355
Other assets	-
Total assets	166,041
Tax provisions	-
Other liabilities	-
Total liabilities	-
Net assets/ Equity	166,041
No. of shares/units (#)	131,756,726
NAV/unit	$1.26

5.2 PRO FORMA ADJUSTMENT NOTES

(a) The column headed "Proforma balance sheet 31 December 2017 post-Restructure (Fund)" reflects the position of the Fund as at 31 December 2017 as if the Fund had been established on that date, received $10 for 10 initial units, received a Distribution Amount of $166,040,897 in subscription for 131,756,726 Units at an issue price of $1.26 and redemption of the 10 initial units for $10. It reflects the pro-forma assets of the Fund received from AUF based on the auditor reviewed 31 December 2017 balance sheet of AUF adjusted as if the following took place as at 31 December 2017:

(i) payment of a cash dividend for the half year to 31 December 2017 of $1,106,150 to holders of Shares (to be paid on or around 30 March 2018) and the issue of 258,560 Shares at an issue price of $1.32 per Share under the DRP (totalling $340,330);

(ii) collection of assets and settlement of liabilities existing as at 31 December 2017, and payment of costs associated with the wind-up of AUF, including a $250,000 retention retained in AUF;

(iii) in respect of the investment portfolio, realisation of all investments other than AUF Illiquid Investments at their carrying values at 31 December 2017 (totalling $168,924,398) and payment of deferred tax associated with the sell down of the investment portfolio in the amount of $17,693,868; and

(iv) payment of transaction costs and fees in the amount of $2,373,000 associated with the Restructure.

(b) The unaudited summary proforma statements of financial position have been prepared applying the accounting policies set out in Section 5.3 below, which are consistent with Australian Accounting Standards.

Figures have been rounded to the nearest $100,000. Totals may not sum due to rounding.

5. FINANCIAL INFORMATION CONT.

5.3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below represent the significant accounting policies which have been adopted in the preparation of the pro forma Statement of Financial Position and which are expected to be adopted prospectively by the Fund.

(a) FOREIGN CURRENCY TRANSLATION

The functional and presentation currency of the Fund is Australian dollars. Transactions in foreign currencies are initially recorded in Australian dollars by applying the exchange rates applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies that are outstanding at the reporting date are retranslated at the rate of exchange ruling at the Statement of Financial Position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Foreign currency exchange differences relating to investments at fair value through profit or loss are included in gains and losses on investments. All other foreign currency exchange differences relating to monetary items, including cash and cash equivalents are presented separately in the Statement of Profit or Loss and Other Comprehensive Income.

(b) FINANCIAL INSTRUMENTS

Financial Instruments, incorporating financial assets and financial liabilities, are recognised on trade date, when the Fund becomes a party to the contractual provisions of the instrument.

The Responsible Entity will adopt "AASB 9 Financial Instruments (December 2014)." AASB 9 includes requirements for the classification and measurement of financial assets and liabilities.

i. Financial assets

Financial assets at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in the Statement of Profit or Loss and Other Comprehensive Income. Financial assets not at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue, and are subsequently measured at amortised cost using the effective interest rate method.

ii. Financial liabilities

Financial liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in the Statement of Profit or Loss and Other Comprehensive Income. Financial liabilities not at fair value through profit or loss are measured initially at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

iii. Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire.

iv. Fair value

The fair value of equity securities traded in active markets is based on their quoted market prices at the end of the reporting date without any deduction for estimated future selling costs. The quoted market price used for securities held by the Fund is the current bid price and the quoted market price for financial liabilities is the current asking price. If a quoted market price is not available on a recognised securities exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques. Valuation techniques used include recent arm's length market transactions, reference to the current fair value of other instruments that are substantially the same, discounted cash flows techniques, option pricing models and other valuation techniques commonly used by market participants.

(c) REVENUE RECOGNITION

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

Interest income is recognised in profit or loss using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Distribution/dividend income is recognised when the right to receive a distribution/dividend has been established, gross of any non-recoverable related foreign withholding tax.

All revenue is stated net of the amount of GST.

(d) TAXES

i. Income tax

Under current Australian income tax laws, the Fund is not liable to pay income tax provided its distributable income for each income year is fully distributed to Unitholders, by way of cash or reinvestment.

Subject to certain exceptions, the Fund is expected to primarily invest in non-Australian securities and may incur withholding tax on investment income and realised gains that may be creditable against any Australian income taxes paid by Investors. Such income is recorded gross of withholding tax in the Statement of Profit or Loss and Other Comprehensive Income.

ii. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

The Fund qualifies for reduced input tax credits at a minimum rate of 55%.

Where fees are stated to be exclusive of GST and GST is payable on any fee, the fee will be increased by an amount equal to the GST payable.

Cash flows are presented in the Statement of Cash Flows on a gross basis.

(e) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) IMPAIRMENT OF ASSETS

The Directors of the Responsible Entity assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, an estimate is made of the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount through the Statement of Profit or Loss and Other Comprehensive Income.

(g) DISTRIBUTIONS

Distributions payable are recognised in the reporting period in which the distributions are declared, determined, or publicly recommended by the board of the Responsible Entity on, or before, the end of the financial period, but not distributed at balance sheet date.

(h) EARNINGS PER UNIT

Basic earnings per unit is determined by dividing the profit or loss excluding any cost of servicing equity other than ordinary units by the weighted average number of ordinary units outstanding during the financial period. Diluted earnings per unit is the same as basic earnings per unit because there are no dilutive potential ordinary units.

(i) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Fund.

Directors recognise that a critical estimate which will be incorporated into the financial statements relates to the fair value associated with the financial assets held.


春

6. INVESTIGATING ACCOUNTANTS REPORT

Deloitte.

Deloitte Corporate Finance Pty Limited
ACN 003 833 127
AFSL 241457
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

The Directors
Walsh & Company Investments Limited
as Responsible Entity for Evans & Partners Asia Fund
Level 15, 100 Pacific Highway
North Sydney NSW 2060

23 March 2018

Dear Directors

Investigating Accountant's Report and Financial Services Guide

Introduction

This report has been prepared at the request of the directors of Walsh & Company Investments Limited (the Responsible Entity) as responsible entity for Evans & Partners Asia Fund (the Fund), for inclusion in a Product Disclosure Statement (PDS) to be issued by the Responsible Entity on or about 23 March 2018 in respect of the issue of fully paid units in the Fund (the Issue of Units) and the listing of the Fund on the Australia Stock Exchange.

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence under the Corporations act 2001 for the issue of this report.

References to the Fund, AUF and capitalised terms used in this report have the same meaning as defined in the Glossary of the Offer Document.

Scope

Pro forma Statement of Financial Position

Deloitte Corporate Finance Pty Limited has been engaged by the Directors to review the pro forma statement of financial position of the Fund comprising the 'Pro forma balance sheet 31 December 2017 post-Restructure (Fund)' as set out in Section 5.1 of the PDS (the Pro Forma Statement of Financial Position).

The Pro Forma Statement of Financial Position has been derived from the auditor reviewed 31 December 2017 balance sheet of Asian Masters Fund (AUF) adjusted for pro forma adjustments as described in Section 5.2 of the PDS 'Pro Forma Adjustment Notes'.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Pro forma Statement of Financial Position and the events or transactions to which the Pro forma Statement of Financial Position relates, as if those events or transactions had occurred as at the date of the Pro forma Statement of Financial Position. Due to its nature, the Pro forma Statement of Financial Position does not represent the Fund's actual or prospective financial position.

Deloitte.

Directors' responsibility

The Directors are responsible for:

- the preparation and presentation of the Pro forma Statement of Financial Position, including the selection and determination of the Pro forma adjustments included in the Pro forma Statement of Financial Position; and
- the information contained within the PDS.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable to preparation of the Pro forma Statement of Financial Position that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Pro forma Statement of Financial Position based on procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagement (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.*

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we will not express an audit opinion.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

- consideration of work papers, accounting records and other documents of AUF and the Fund;
- consideration of the appropriateness of the Pro forma Adjustments included in the Statement of Financial Position;
- a consistency check of the application of the stated basis of preparation, as described in the PDS, to the Pro forma Statement of Financial Position;
- enquiry of Directors, management, personnel and advisors;
- the performance of analytical procedures applied to the Pro forma Statement of Financial Position; and
- a review of accounting policies set out in Section 5.3.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Statement of Financial Position is not prepared, in all material aspects, in accordance with the stated basis of preparation as described in Section 5.1 of the PDS.

Restrictions on use

Without modifying our conclusion, we draw attending to Section 5.1 of the PDS, which describes the purpose of the Pro forma Statement of Financial Position, being for inclusion in the PDS. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the PDS in the form and context in which it is included.

Deloitte.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have an interest in the outcome of this Issue of Units other than the preparation of this report for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Fund.

Yours faithfully

Deloitte Corporate Finance Pty Limited

Michael Kaplan
Authorised Representative
Deloitte Corporate Finance Pty Limited (AFSL Number 241457)
AR Number 463220

Deloitte.

August 2017

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Deloitte Corporate Finance Pty Limited (DCF) (AFSL 241457) provides this FSG to you, so you know how we are remunerated and who to contact if you have a complaint.

Who supplies the financial services?

We provide this FSG to you where you engage us to act on your behalf when providing financial services.

Alternatively, we may provide this FSG to you because our client has provided financial services to you that we delivered to them.

The person who provides the financial service to you is our Authorised Representative (AR) and DCF authorises the AR to distribute this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

General financial product advice

We provide general advice when we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. In this situation, you should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If we provide advice to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

Personal financial product advice

When we give you advice that takes into account your objectives, financial situation and needs, we will give you a Statement of Advice to help you understand our advice, so you can decide whether to rely on it.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us.

Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

Please contact us about a concern:

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Phone: +61 2 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Financial Ombudsman Service (FOS).
FOS provides fair and independent financial services dispute resolution free to consumers.

www.fos.org.au
1800 367 287 (free call)
Financial Ombudsman Service

GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL number 241457 of Level 1 Grosvenor Place, 225 George Street, Sydney NSW 2000
Member of Deloitte Touche Tohmatsu Limited
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity.

7. TAX INFORMATION

Outlined below is a general summary of the key Australian income tax consequences for Australian resident individuals, trusts, companies and complying superannuation entities who hold their shares in the Company on capital account for Australian income tax purposes (**Investors**).

Investors should be aware that the actual Australian tax and stamp duty implications may differ from those summarised, depending on the individual circumstances of each Investor.

For example, complying superannuation funds with pension liabilities may be exempt from income tax on some or all of the income derived and thus some of the income tax commentary below may not be relevant to these Investors. Similarly, investors subject to the Taxation of Financial Arrangements regime may be taxable upon different bases, depending upon which elections they have made.

Investors should seek advice from their own professional taxation adviser regarding the Australian tax consequences of selling or holding the shares in the Company, having regard to their particular circumstances.

7.1 TAXATION TREATMENT OF THE FUND

Based upon the target investment profile, the Fund should be treated as a "flow through" entity for Australian income tax purposes. That is, the Fund should not be liable to pay income tax on net (i.e. taxable) income for an income year, provided that Unitholders are presently entitled to the distributable income of the Fund for the income year.

For income tax purposes, the Fund may be taxed like a company if it is a "public trading trust". Whilst the Fund is listed on the ASX it will be a public trading trust if it is a trading trust. However, provided that the Fund and the entities that the Fund controls (or has the ability to control, either directly or indirectly) do not carry on a "trading business", the Fund should not be treated as a public trading trust. It is not expected that the Fund will be a public trading trust.

A "managed investment trust" (**MIT**) for Australian income tax purposes is an Australian trust that meets certain requirements (including licensing requirements and "widely-held" requirements and not breach "closely-held" restrictions). It is expected that the Fund would qualify to be an MIT. If the Fund qualifies as an MIT, the Fund will make an irrevocable election (**MIT capital election**) to apply the capital gains tax (**CGT**) rules as the primary code for the taxation of gains and losses on the disposal of certain assets (being primarily shares, units and real property). In this regard, capital gains made by the Fund from the realisation of investments covered by the MIT capital election that have been held for 12 months or more should qualify for discount CGT treatment.

The Fund may also be able to make an irrevocable election to be treated as an Attributable Managed Investment Trust (**AMIT**). However, such an AMIT election should not result in a materially different outcome to that described below.

7.2 NET INCOME OF THE FUND

Investors that are presently entitled to a share of the distributable income of the Fund and not under a legal disability (e.g. minors) should be required to include in their assessable income their proportionate share of the Fund's net income for each relevant income year. The following provides a broad overview of how the net income of the Fund might be calculated.

The net income of the Fund may include:

- distributions paid to the Fund or credited to the account of the Fund;
- foreign exchange gains and losses attributable to Australian currency exchange rate movements in respect of distributions made to the Fund;
- interest income on term deposits and cash equivalent investments held by the Fund; and
- net capital gains (discounted and undiscounted)

The net income of the Fund is reduced by allowable deductions including income tax losses carried forward.

7.3 DISTRIBUTIONS FROM THE FUND

Investors not under a legal disability (e.g. minors) will be assessed in the same income year in which the Fund derives its income. Investors will be required to include their proportionate share of the Fund's net income in their assessable income for each relevant income year.

Each component of the Fund's net income should retain its tax character in the hands of Investors for Australian income tax purposes. Distributions may include foreign income, net capital gains and other income.

7. TAX INFORMATION CONT.

If a net capital gain included in the taxable income of the Fund is a discount capital gain, Investors should be required to gross up the amount of the capital gains included in their assessable income. Investors may apply to any available capital losses and any remaining discount capital gains may be eligible for the CGT discount (see the discussion on the disposal of the Fund's Units in Section 7.4 below).

In the event that foreign tax is imposed on income derived by the Fund, Investors may be entitled to a foreign income tax offset (**FITO**) in respect of these taxes. A FITO that may be claimed by an Investor in a year of income is broadly calculated as the lesser of the Investor's share of the amount of the foreign taxes paid by the Fund and the offset limit. Broadly, the offset limit is the greater of $1,000 and the amount of the Australian income tax payable on an Investor's foreign source income on which foreign tax has been incurred and other assessable foreign source income. A FITO that is not utilised in the year it is derived cannot be carried forward to a later income year.

The Fund may make cash distributions to Investors in excess of the net income of the Fund. Such distributions may arise as a result of:

- "Tax deferred" distributions (e.g. returns of capital or income sheltered by tax losses); and
- "CGT concession" amounts (i.e. the discount component of net capital gains derived by the Fund).

Tax deferred distributions should not be immediately assessable to Investors but, in broad terms, will reduce the CGT cost base (and reduced cost base) of an Investor's units in the Fund (but not below nil). If the cost base of Units is reduced to nil, Investors will make a capital gain on any further tax deferred distributions received. Any such capital gain may be eligible for discount CGT treatment, depending on whether an Investor has held the Units in the Fund for at least 12 months.

Investors will be taxed on the income distribution even if the amounts are reinvested under the DRP.

Investors will be provided with an annual statement setting out the details of assessable income arising from their investment in the Fund.

7.4 SALE OR REDEMPTION OF UNITS

The capital gains tax cost base of Investors in the Units received should be equal to the amount paid for the Units plus any incidental costs incurred by the Investor. A subsequent sale or redemption of units will constitute a disposal for CGT purposes, and may result in a capital gain or capital loss for an Investor.

A capital gain will arise to the Investor where the capital proceeds received from the sale or redemption of the Units are greater than the cost base for CGT purposes. A capital loss will arise if the capital proceeds on sale or redemption are less than the reduced cost base of the Units for CGT purposes.

Discount CGT treatment may be available to reduce the capital gain realised by the Investor on the sale or redemption of the Units. If the Units had been held for at least 12 months, the Investor may, after offsetting capital losses of the Investor, be able to discount the resulting capital gain by one half in the case of an individual or trust, or by one third in the case of a complying superannuation entity. Companies are not entitled to discount CGT treatment.

Investors who dispose of their Units within 12 months of acquiring them or dispose of them under an agreement entered into within 12 months of acquiring the Units will not be eligible for discount CGT treatment.

Integrity rules exist which can prevent the CGT discount being applied to capital gains arising from the disposal of Units where a majority of the underlying CGT assets of the Fund, by value, have not been held for at least 12 months. These integrity rules should not apply if:

- an Investor (together with its associates) beneficially owns less than 10% of the Units in the Fund just prior to the disposal; or
- the Fund has at least 300 Investors and the ownership of the Fund is not concentrated (ownership will be concentrated if 20 or fewer individuals own, directly or indirectly, at least 75% of the income, capital or voting interests in the Fund).

Any capital gain or capital loss realised by an Investor in respect of the units should be aggregated with any other capital gains or capital losses that the Investor may have in that year, less any available net capital losses from prior income years, discounts or reductions, to determine the Investor's net capital gain or net capital loss for that year.

A net capital gain is included in the Investor's assessable income. A net capital loss can only be offset against capital gains. Net capital losses may be carried forward and offset against future taxable capital gains.

7.5 WITHHOLDING OF TAX FROM DISTRIBUTIONS

The Responsible Entity of the Fund is required to deduct Pay-As-You-Go (PAYG) withholding tax from distributions paid to Investors at their highest marginal rate plus applicable levies if the Investor has not quoted either a Tax File Number or Australian Business Number, and none of the relevant exemptions apply.

7.6 GST

The acquisition and disposal of Units in the Fund by Investors should not be subject to GST. Similarly, cash distributions from the Fund to Investors should not be subject to GST.

The availability of GST recovery will generally depend upon the extent to which goods, services and other things acquired by the Fund relate to certain activities not subject to GST (referred to as "input taxed supplies). The Fund may not be able to recover any GST arising on its expenditure in full.

Even where the Fund is denied from recovering GST under the general rules, as a concession it may be entitled to Reduced Input Tax Credits or "RITCs" (either 55% or 75% of the otherwise unrecoverable GST) in respect of certain categories of expenditure.

7.7 STAMP DUTY

No Australian stamp duty should be payable by an investor on acquiring Units and no Australian stamp duty should be payable in respect of future acquisitions or disposals of the Units, provide that the Units remain quoted and the Fund is listed on the ASX.

8. KEY PEOPLE

8.1 ROLE OF THE RESPONSIBLE ENTITY

The Responsible Entity is responsible for the operation of the Fund. The Responsible Entity is subject to numerous duties under the Corporations Act, including duties to act honestly, exercise care and diligence and act in the best interests of Unitholders.

In accordance with the Corporations Act, Walsh & Company has established a compliance committee with a majority of external representation. The role of the compliance committee includes monitoring the Responsible Entity's compliance with the compliance plan.

The Responsible Entity is responsible for the overall management of the Fund, including the determination of its strategic direction with the aim of increasing Unitholder wealth through the performance of the Fund.

The role of the Responsible Entity includes:

a) monitoring the operations, financial position and performance of the Fund;

b) identifying the principal risks faced by the Fund and monitoring the effectiveness of systems designed to provide reasonable assurance that these risks are being managed;

c) taking steps to ensure the Fund's financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Unitholders; and

d) taking steps to ensure Unitholders and the market are fully informed of all material developments.

8.2 BACKGROUND OF THE RESPONSIBLE ENTITY

Walsh & Company holds Australian Financial Services Licence Number 410 433.

Walsh & Company is a member of the Evans Dixon Group. The Evans Dixon Group is a significant Australian investment and wealth management business providing services to more than 8,000 clients with funds under advice, execution, and administration of over $20 billion.

8.3 DIRECTORS OF THE RESPONSIBLE ENTITY

The Directors of the Responsible Entity are:

ALEX MACLACHLAN BA (CORNELL), MBA (WHARTON) | DIRECTOR

Chief Executive Officer, Walsh & Company Asset Management

Alex joined Dixon Advisory in 2008 to lead the then newly formed Funds Management division, which later became Walsh & Company.

From funds under management of under $100 million at the time of his start, Alex has grown Walsh & Company Group to over $5 billion of assets under management today, with investments across residential and commercial property, fixed income, private equity, listed equities and renewable energy.

Prior to joining the firm, Alex was an investment banker at UBS AG, where he rose to Head of Energy for Australasia. During his tenure in investment banking, Alex worked on more than $100 billion in mergers and acquisitions and capital markets transactions, advising some of the world's leading companies.

Alex has a Bachelor of Arts from Cornell University and a Masters of Business Administration from The Wharton School, University of Pennsylvania.

8. KEY PEOPLE CONT.

TRISTAN O'CONNELL BComm (ANU), CPA | DIRECTOR

Group Chief Financial Officer and Company Secretary, Evans Dixon Group

As Chief Financial Officer and Company Secretary at Evans Dixon, Tristan oversees the finance and accounting function of the firm's group of companies. He began his association with Dixon Advisory in 2005, joining to spearhead its financial management and growth. Tristan brought to Dixon Advisory more than a decade in corporate financial and management roles within the wholesale markets industry. This included a long tenure at Tullet Prebon, one of the world's leading inter-dealer broker firms that specialise in over-the-counter interest rate, foreign exchange, energy and credit derivatives. Tristan was Financial Controller of the Australian operation and held senior finance roles in their Singapore and London offices.

Tristan has a Bachelor of Commerce from the Australian National University, is a member of CPA Australia and is a Fellow of the Financial Services Institute of Australasia.

WARWICK KENEALLY BEC, BComm (ANU), CA | DIRECTOR

Head of Finance, Walsh & Company Asset Management

Prior to joining Walsh & Company, Warwick worked in chartered accounting firms specialising in turnaround and restructuring. Warwick started his career with KPMG working in their Canberra, Sydney and London offices and has undertaken a range of complex restructuring and insolvency engagements across Europe, UK and Australia, for a range of Australian, UK, European and US banks.

Warwick has worked with companies and lenders to develop and implement strategic business options, provide advice in relation to continuous disclosure requirements, develop cash forecasting training for national firms, and lectured on cash management. Among his former roles, Warwick worked on the initial stages of the HIH insolvency as part of the key management group tasked with the wind-down of the global estate.

Warwick has a Bachelor of Economics and Bachelor of Commerce from the Australian National University and is a Chartered Accountant.

8.4 THE INVESTMENT MANAGER – ROLE AND BACKGROUND

Evans and Partners Investment Management Pty Limited is the Investment Manager of the Fund.

The Investment Manager has a management agreement with the Responsible Entity. The Investment Manager is responsible for investment decisions for the Fund, trade execution and portfolio management.

The Investment Manager has in place a number of arrangements to access necessary skills and expertise. The Portfolio Manager will provide the Investment Manager with expert advice and recommendations in relation to its investment portfolio including the investment strategy, evaluation of investment opportunities and potential disposals, as well as portfolio management.

The Investment Manager is a member of the Evans Dixon Group and is a corporate authorised representative of Walsh & Company Asset Management Pty Limited.

See Section 9.2 for further information.

8.5 DIRECTORS OF THE INVESTMENT MANAGER

The directors of the Investment Manager are:

ALEXANDER MACLACHLAN BA (CORNELL), MBA (WHARTON) | DIRECTOR

See Section 8.3 for further information.

JACLYN STRELOW BJus, LLB. (Hons) (QUT), MBA (MELB) | DIRECTOR

Head of Capital Markets, Walsh & Company Asset Management

Jaclyn joined Walsh & Company in 2016 to lead corporate finance and capital raising transactions. Jaclyn has a corporate law background and brings substantial experience specialising in debt and equity markets, mergers and acquisitions and corporate development in Australia and the UK, working in listed company and professional services environments.

Prior to joining Walsh & Company, Jaclyn was legal counsel for Aurizon, managing legal risk and strategy across the business development, mergers and acquisitions, strategy, governance and treasury functions. Prior to Aurizon, Jaclyn worked as legal counsel in capital markets and professional services with Instinet and PwC Legal in London and Mallesons Stephen Jaques in Australia.

Jaclyn has a Bachelor of Justice and Bachelor of Laws with honours from the Queensland University of Technology and a Master of Business Administration from the University of Melbourne.

8.6 PORTFOLIO MANAGER AND KEY PERSONNEL

TED ALEXANDER BEc (1ST HONS) (UTAS), M.Phil Economics (Oxford) | PORTFOLIO MANAGER

Ted is the Head of Investments at Evans Dixon and Portfolio Manager for the Fund. Prior to joining Evans Dixon, Ted was at Magellan Financial Group where he as a voting member of the Investment Committee, a member of the Macro Committee, and Head of Healthcare. Prior to this he served as the Head of Alternative Investments at Neptune Investment Management Limited, and as a Fund Manager. Ted commenced his career as Market Analyst at the Reserve Bank of Australia in Sydney.

Ted earned a Master of Philosophy in Economics from Oxford University as a Rhodes Scholar. He also received a Bachelors Degree in Economics with First Class Honours in Financial Economics from the University of Tasmania.

RENATA MURANAKA BBA (EAESP-FGV), MCom (Griffith) | ASSISTANT PORTFOLIO MANAGER

Renata joined Dixon Advisory Funds Management, which later became Walsh & Company, as an investment analyst in 2011. She has spent the last seven years working alongside the portfolio manager for the Asian Masters Fund and the Emerging Markets Masters Fund, managing the portfolios of those funds and bringing substantial experience in Asian ex Japan equity markets.

Prior to joining Walsh & Company, Renata worked at a family office and at a venture capital firm in Brazil, before migrating to Australia and completing her Master degree.

Renata holds a Master of Commerce degree from Griffith University and a Bachelor of Business Administration.

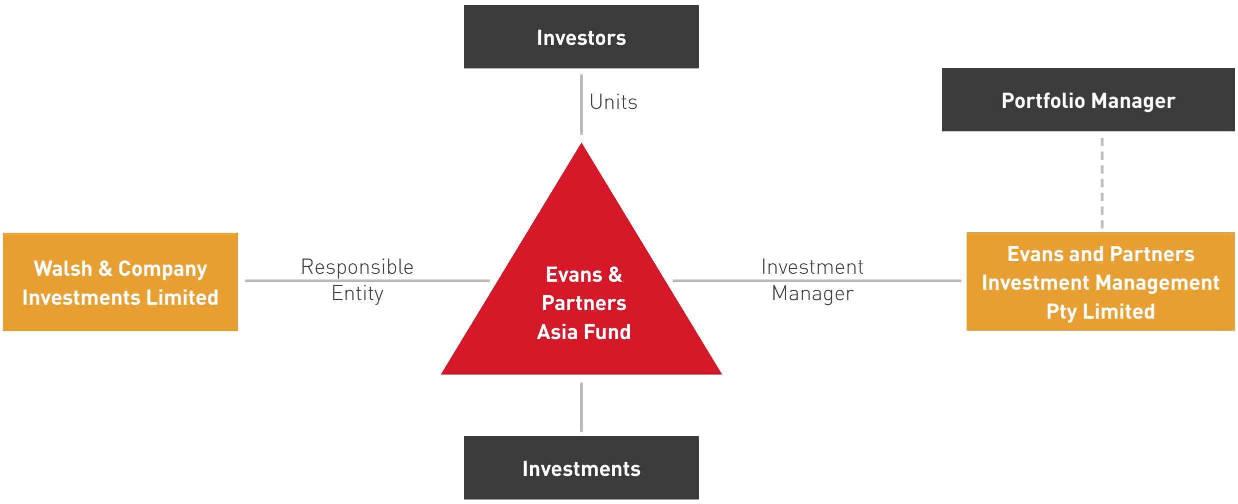
9. ADDITIONAL INFORMATION

9.1 FUND STRUCTURE AND MANAGEMENT ARRANGEMENTS

The Fund is registered with ASIC as a managed investment scheme, and an application will be made for it to be listed on the ASX as an investment entity. Unitholders will hold Units and receive the benefit of income and capital gains generated by the Fund's underlying investments.

Figure 1 below sets out the ownership structure and management arrangements for the Fund.

FIGURE 1: FUND STRUCTURE



9.2 INVESTMENT MANAGEMENT AGREEMENT

The Responsible Entity has appointed the Investment Manager on an exclusive basis to invest and manage the portfolio of the Fund in accordance with the terms of the proposed investment management agreement (**Investment Management Agreement**). The Investment Manager will have day-to-day portfolio oversight, will be responsible for trade execution and will provide risk management for the term of the Investment Management Agreement.

The Investment Management Agreement may be amended by written agreement between the Responsible Entity and the Investment Manager, provided that all requirements of the ASX are complied with while the Fund is listed.

Powers of the Investment Manager

Subject to the ASX Listing Rules, the Corporations Act and any other laws applicable to the Fund, the Investment Manager will manage the portfolio of the Fund and the investments on behalf of the Fund in a manner consistent with the investment strategy.

Subject to the above, compliance with all applicable laws and the investment strategy agreed with the Responsible Entity from time to time, the Investment Manager has the discretion to manage the Fund and to do all things considered necessary or desirable in relation to the Fund, including:

(i) the investigation of, negotiation for, acquisition of, or disposal of investments and the provision of its services to the Responsible Entity;

(ii) from time to time, to sell, realise or deal with all or any of the investments or to vary, convert, exchange or add other investments in lieu of those investments;

(iii) if any investments are redeemed, or the capital paid on it is wholly or partly repaid (whether by reduction of capital or otherwise) by the entity by which that investment was created or issued, to convert that investment into some other investment or accept repayment of the capital paid or advanced on the investment and any other monies payable in connection with that redemption or repayment and to invest any of those monies in the purchase of investments to be added to the Fund; and

(iv) to retain or sell any security or other property received by the Fund by way of bonus, or in lieu of, or in satisfaction of, a dividend in respect of any investments or from the amalgamation or reconstruction of any fund.

Valuation

The Investment Manager must arrange for the calculation of the value of the portfolio at least monthly or at such more frequent times as may be agreed between the Investment Manager and the Responsible Entity.

Management Fee

In return for the performance of its duties as Investment Manager of the Fund, the Investment Manager will be entitled to be paid, and the Responsible Entity must pay to the Investment Manager out of the assets of the Fund, a management fee equivalent to 1.50% (exclusive of GST) of the gross asset value of the Fund, payable monthly in arrears. The Investment Manager has agreed to waive part of this fee so will receive only a management fee of 1.25% per annum (inclusive of the net effect of GST) of the gross asset value of the Fund. This waiver will extend for at least the first year of the Fund and may be terminated on delivery of three months' notice.

Performance Fee

The Investment Manager may be entitled to a performance fee, payable by the Fund. Performance fees are calculated with reference to the Index Return Hurdle and the Absolute Return Hurdle, and are subject to a High Water Mark requirement (which can be reset in certain circumstances) and an overall cap. The details of the calculation methodology and the hurdles are set out below. The anticipated weekly NAV per Unit includes an accrual for an estimate of the performance fee that would be payable if it were the end of the relevant calculation period.

Calculation Methodology

The Fund's total return per Unit (**Total Return**) is the dollar movement in its NAV per Unit during the calculation period (adjusted for any income or capital distributions and before any accrued performance fees during that calculation period). Adjustments will be made for any capital re-organisations such as Unit divisions or consolidations. Calculation periods end on 31 March and 30 September of each year. The first calculation period is from 30 June 2018 to 30 September 2018.

The Fund's excess return per Unit (**Excess Return**) is its Total Return less the higher of the Index Return Hurdle and Absolute Return Hurdle, expressed in dollar terms.

The performance fee per Unit is up to 20% of the Excess Return (exclusive of GST). The Investment Manager has agreed to waive part of this fee so will receive only a performance fee of 10% of the Excess Return (inclusive of the net effect of GST). This waiver will extend for at least the first year of the Fund and may be terminated on delivery of three months' notice. The total performance fee is the performance fee per Unit multiplied by the number of Units on issue at the end of the Calculation Period.

The Investment Manager will only be entitled to a performance fee where the NAV per Unit at the end of the Calculation Period exceeds the applicable High Water Mark. The High Water Mark is the NAV per Unit at the end of the most recent Calculation Period for which the Investment Manager was entitled to a performance fee, less any intervening income or capital distributions. For the first Calculation Period, the High Water Mark is taken to be the NAV as at 30 June 2018. Should the index used to calculate the Index Return Hurdle fall more than 20% from the level of that benchmark at the date the current High Water Mark was set, then the Investment Manager may choose to reset the High Water Mark to the NAV at the end of the Calculation Period during which the High Water Mark reset was triggered. If the Responsible Entity exercises this discretion, the High Water Mark will reset to be the NAV at the end of the current Calculation Period. This means that any increase in the NAV from the reset High Water Mark to the previous level would be performance for which the Investment Manager may receive a performance fee. The fee to which the Investment Manager is entitled will be subject to a performance fee cap such that the NAV per Unit (after the performance fee has been paid) is not less than the applicable High Water Mark.

Performance Hurdles

Index Return Hurdle

The Index Return Hurdle for the Fund is the return (expressed as a percentage) of the MSCI Asia ex Japan Net Total Return Index (measured in US dollars and converted to Australian dollars) over the Calculation Period.

Absolute Return Hurdle

The applicable Absolute Return Hurdle for the Fund is the published 10-year US Government Bond yield as at the first Business Day of the Calculation Period, pro-rated for the number of days in the calculation period.

Expenses

The Responsible Entity is liable for and must pay (or if paid by the Investment Manager, reimburse the Investment Manager) all fees, costs and expenses when properly incurred in connection with the investment and management of the portfolio, the acquisition, disposal, or maintenance of any investment, or performance of the Investment Manager's obligations under the Investment Management Agreement, excluding transactional and operational costs.

9. ADDITIONAL INFORMATION CONT.

Term

The initial term of the Investment Management Agreement is five years, commencing on the Implementation Date. Upon the expiry of the initial term, the Investment Management Agreement will automatically renew for a further five years unless terminated earlier in accordance with its terms.

Termination

The Investment Manager may terminate the Investment Management Agreement at any time by giving the Responsible Entity at least three months' written notice. The Responsible Entity must remove the Investment Manager and terminate the Investment Management Agreement after the expiration of the Initial Term (on three months written notice) if directed by ordinary resolution passed in general meeting of Unitholders.

The Responsible Entity may immediately terminate the Investment Management Agreement on the occurrence of any of the following:

(i) an insolvency event occurs with respect to the Investment Manager;

(ii) the Investment Manager breaches its obligations under the Investment Management Agreement in a material respect and the breach cannot be remedied, or if it can be remedied, the Investment Manager does not remedy that breach within 30 days after the Responsible Entity has notified the Investment Manager in writing to remedy the breach (unless the default or breach occurs as a result the Manager acting in accordance with the Responsible Entity's directions);

(iii) the Investment Manager persistently fails to ensure that investments made on behalf of the Fund are consistent with the investment strategy, as amended from time to time as agreed by the Investment Manager and the Responsible Entity; or

(iv) the licence under which the Investment Manager performs its obligations, either held by the Investment Manager or a third party who has appointed the Investment Manager to act as authorised representative) is suspended for a period of not less than one month or cancelled at any time

Directions

The Responsible Entity may, in certain cases, give directions and instructions to the Investment Manager. The directions must not be inconsistent with the Investment Management Agreement, and the Responsible Entity is responsible for the consequences of its directions.

Amendment to Investment Strategy

The Investment Manager may seek approval from the Responsible Entity to amend the investment strategy for the Fund to permit the making of an investment that is otherwise inconsistent with the investment strategy. If the amendment is material, then the Responsible Entity must provide Unitholders with at least 30 days' notice of the proposed change by announcing it on the ASX.

In seeking such approval, the Investment Manager must give the Responsible Entity all information required by the Responsible Entity for assessing whether the proposed investment is in the best interests of the Unitholders. The Responsible Entity has full discretion to withhold its approval to a requested amendment to the investment strategy.

Responsible Entity Indemnity

The Responsible Entity must indemnify the Investment Manager against any losses or liabilities reasonably incurred by the Investment Manager arising out of, or in connection with, and any costs, charges, and expenses (including legal expenses on a solicitor/own client basis) incurred in connection with the Investment Manager or any of its officers, employees, or agents acting under the Investment Management Agreement or on account of any bona fide investment decision made by the Investment Manager or its officers or agents except insofar as any loss, liability, cost, charge, or expense is caused by the negligence, default, fraud, or dishonesty of the Investment Manager or its officers or employees. This obligation continues after the termination of the Investment Management Agreement.

Investment Manager Indemnity

The Investment Manager must indemnify the Responsible Entity against any losses or liabilities reasonably incurred by the Responsible Entity arising out of, or in connection with, and any costs, charges, and expenses incurred in connection with any negligence, default, fraud, or dishonesty of the Investment Manager or its officers or supervised agents. This obligation continues after the termination of the Investment Management Agreement.

9.3 CONSTITUTION

The Fund has been registered by ASIC as a managed investment scheme under Chapter 5C of the Corporations Act.

Walsh & Company is the Responsible Entity of the Fund. The respective rights and obligations of the Responsible Entity and the Unitholders are determined by the Constitution and the Corporations Act, together with any exemptions and declarations issued by ASIC and the general law relating to trusts.

The Constitution is a lengthy and complex document. The following is a brief outline of the Constitution. Because the outline is brief, investors should confirm all information by reference to the Constitution itself, which is available free of charge from the Responsible Entity. If you are unsure about anything, you should seek advice from a legal or financial advisor and examine a copy of the Constitution.

The Constitution deals with a wide range of matters, including:

- the nature of a Unitholder's interest in the Fund;
- the term of the Fund and Unitholders' entitlements on winding up;
- distributions;
- further issues of Units;
- transferability of Units;
- powers of the Responsible Entity;
- Unitholders' meetings;
- Unitholders' liability;
- the Responsible Entity's right to be indemnified out of the Fund, and its fees (see Section 4);
- how the Constitution may be amended; and
- compliance with the ASX Listing Rules.

(a) UNITS

The beneficial interest in the Fund is divided into Units. A Unit confers an interest in the Fund's investments as a whole – it does not confer an interest in any particular asset. The Responsible Entity can issue Units in accordance with the Constitution. The Constitution contains provisions regarding the Responsible Entity's ability to issue different classes of units.

The Constitution contains provision for calculating the Application Price of Units for this and any future issues. The Constitution also provides for the Responsible Entity to determine a different Application Price in relation to some Units, a class of Units or all Units to the extent it is permitted to do so by applicable ASIC relief.

When the Responsible Entity issues Units, it will exercise any discretion it has under the Constitution in relation to unit pricing in accordance with its unit pricing discretions documentation. You can obtain a copy of any unit pricing discretions documentation at any time on request, at no charge, by contacting us on 1300 454 801.

(b) INCOME AND DISTRIBUTIONS

The Responsible Entity will determine the distributable income of the Fund for each tax year. Currently, the distributable income will be the net income of the Fund, unless the Responsible Entity considers that another amount is appropriate for the distribution for that tax year. The Responsible Entity may also distribute capital of the Fund from time to time. Unitholders on the register on the record date for a distribution are entitled to a share in the Fund's income based on the number of Units held.

A distribution may be paid in cash or other assets. The Responsible Entity may deduct from distributions any tax or other amount that it is required by law or authorised, to deduct, or any amount owing to it by a Unitholder.

If the Responsible Entity opts into the AMIT regime, distributions may be treated differently. See Section 7.

(c) LIABILITY OF UNITHOLDERS

As the Units will be fully paid, a Unitholder's liability is limited to its investment in the Fund, however the effectiveness of such provisions has not been confirmed by superior courts.

9. ADDITIONAL INFORMATION CONT.

(d) RESPONSIBLE ENTITY'S POWERS AND DUTIES

The Responsible Entity holds the Fund's assets on trust or may have assets held by a custodian. The Responsible Entity may manage the assets as if it were the absolute and beneficial owner of them, subject only to the terms of the Constitution and its duties and obligations to Unitholders.

Examples of the Responsible Entity's powers include acquiring or disposing of any holding, borrowing or raising money, encumbering any asset, incurring any liability, giving any indemnity, providing any guarantee, applying for listing of the Fund, entering into derivative and currency swap arrangements, and entering into underwriting arrangements.

The Responsible Entity may appoint delegates or agents to perform any act or to exercise any of its powers as well as to assist with its duties and functions.

9.4 KEY GOVERNANCE MATTERS

9.4.1 GOVERNANCE OF THE FUND

The board of the Responsible Entity monitors the business affairs of the Fund on behalf of Unitholders and focus on accountability, risk management, ethical conduct, and conflicts of interest. The Responsible Entity has adopted systems of control and accountability for the Fund as the basis for the administration of governance.

The board of the Responsible Entity is committed to administering its policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Fund's needs.

9.4.2 CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

The Board of the Responsible Entity will consider on an ongoing basis how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Responsible Entity in light of changing circumstances and economic conditions.

9.4.3 CONTINUOUS DISCLOSURE

The Fund will be a disclosing entity for the purposes of the Corporations Act and will be required to comply with the continuous disclosure regime under the Corporations Act. The Responsible Entity has established internal systems and procedures to ensure that timely disclosure is made to investors.

As a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations.

We can also provide you with a copy of:

- the annual financial report most recently lodged with ASIC for the Fund (if any);
- any half-year financial statement lodged with ASIC for the Fund after the lodgement of that annual financial report and before the date of this PDS (if any); and
- any continuous disclosure notices given for the Fund after the lodgement of the annual financial statement and before the date of this PDS (if any). We will provide periodic reports to Unitholders to meet the Fund's financial reporting obligations and place announcements on the Fund's website as appropriate.

Copies of documents lodged at ASIC in relation to the Fund may be obtained from or inspected at an office of ASIC. The Responsible Entity will also provide a copy of any of the above free of charge on request. To obtain a copy please call 1300 454 801 or download a copy from www.asiafund.com.au.

9.5 RELATED PARTY TRANSACTIONS

The Responsible Entity may transact with related parties. All transactions, including those with related parties, are conducted on arm's length and commercial terms. There are a number of related party transactions described in this PDS in relation to the Fund, such as arrangements with the Investment Manager, and Australian Fund Accounting Services Pty Limited as provider of fund accounting services.

The Responsible Entity may also seek professional services for the Fund from qualified service providers, including related parties. The fees for these services will be charged at normal commercial rates to the Fund. Examples of areas in which related parties may provide services to the Fund are:

- accounting, taxation, legal, and compliance;
- financial structuring and underwriting;
- product distribution; and
- corporate advice.

Related parties of Walsh & Company include:

- Australian Fund Accounting Services Pty Limited;
- the Investment Manager.

9.6 COMPLAINTS

The Responsible Entity seeks to resolve any potential and actual complaints over the management of the Fund to the satisfaction of Unitholders.

You may lodge any complaints by writing to the Responsible Entity at the address shown in the directory in Section 11 of this PDS. Complaints will be acknowledged immediately or as soon as practicable and responded to no more than 45 days after receipt by us.

If you are unsatisfied with the outcome, you can contact the Credit and Investments Ombudsman – which is independent from us, on 1800 138 422.

9.7 INSTRUCTIONS

Subject to the requirements outlined, or as stipulated by us, you, or persons authorised by you, can provide instructions (quoting your investor number) in writing, by facsimile, or by any other method allowed by us from time to time. By investing in the Fund, you authorise us to accept instructions provided by these methods.

9.8 INTERESTED DEALINGS

Subject to the Corporations Act, the Responsible Entity or associates of the Responsible Entity may:

a) hold Units in the Fund;
b) deal with itself (as Responsible Entity of the Fund or in another capacity), an associate, or with any Unitholder;
c) be interested in any contract or transaction with itself (as Responsible Entity of the Fund or in another capacity), an associate, or with any Unitholder;
d) act in the same or a similar capacity in relation to any other managed investment scheme; and
e) retain for its own benefit any profits or benefits derived from any such contract or transaction.

9.9 PRIVACY

Investors in the Fund acknowledge and agree that:

a) You are required to provide the Responsible Entity with certain personal information to:
   i. facilitate the assessment of an investor;
   ii. enable the Responsible Entity to assess the needs of investors and provide appropriate facilities and services for investors; and
   iii. carry out appropriate administration.

b) The Responsible Entity may be required to disclose this information to:
   i. third parties who carry out functions on behalf of the Fund on a confidential basis;
   ii. third parties if that disclosure is required by law; and
   iii. related bodies corporate (as that term is defined in the Corporations Act) which carry out functions on behalf of the Fund.

9. ADDITIONAL INFORMATION CONT.

We are unlikely to disclose personal information to overseas recipients. In some circumstances, we may need to obtain your consent before this occurs. Our policy is to only use cloud or other types of networked or electronic storage where infrastructure is physically located in Australia. We have carried out our due diligence regarding our cloud service providers and have entered into suitable contractual arrangements with them.

Under the *Privacy Act 1988* (as amended), investors may request access to their personal information held by (or on behalf of) the Fund. Applicants may request access to personal information by telephoning or writing to Walsh & Company.

We collect personal information from you in order to administer your investment. If you think that our records are wrong or out of date – particularly your address and email address – please contact us and we will correct this information immediately. You can always access the personal information that we hold about you.

You may choose not to provide certain personal information. However, if you choose not to provide information requested for the purposes of fulfilling your request for a specific product or service, we may not be able to provide you with the requested product or service, or the product or service which we do provide might not fully meet your needs.

A copy of the privacy policy of the Responsible Entity is available to investors on the website and on request. The privacy policy includes the contact details of the Privacy Officer in the event that an investor has a complaint about the handling, use or disclosure of personal information.

9.10 ANTI-MONEY LAUNDERING/COUNTER-TERRORISM FINANCING ACT 2006

The Responsible Entity may be required under the *Anti-Money Laundering/Counter-Terrorism Financing Act 2006* (Cth) or any other law to obtain identification information from investors. The Responsible Entity reserves the right to reject any investor where there is a failure to provide the required identification information upon request.

9.11 FOREIGN ACCOUNT TAX COMPLIANCE ACT

The Foreign Account Tax Compliance Act (**FATCA**) is US tax law aimed at financial institutions and other financial intermediaries to prevent tax evasion by US citizens and other US tax residents through use of non-US investments or accounts.

Australia signed an intergovernmental agreement (**IGA**) with the US to implement FATCA in Australia. The FATCA provisions are in Division 396 in Schedule 1 of the *Taxation Administration Act 1953* (Cth), which is administered by the Australian Taxation Office (**ATO**). Under the IGA and FATCA provisions, Reporting Australian Financial Institutions have due diligence and reporting obligations.

The Responsible Entity, on behalf of the Fund, is a Reporting Australian Financial Services Institution under the IGA. The Responsible Entity intends to fully comply with the Fund's FATCA obligations as determined by the FATCA provisions, the IGA, and any associated guidance from the ATO. These obligations include (but are not limited to) the Responsible Entity identifying and documenting the status of an investor in the Fund as a US person, US controlled entity, or a non-complying FATCA financial institution. The Responsible Entity, on behalf of the Fund, is then obligated by law to report certain information on applicable investors to the ATO which will in turn report this information to the US Internal Revenue Service.

In order for the Fund to comply with its FATCA obligations, the Responsible Entity is obligated to request certain information from investors. Certain information collected will be reported to the ATO which will in turn report this information to the US Internal Revenue Service.

The Fund and the Responsible Entity are not liable for any loss an investor may suffer as a result of the Fund's compliance with FATCA.

The Responsible Entity will also provide information about the Fund's FATCA status when required so that FATCA withholding is not applied to payments received on its investments (for example dividends paid on US securities). If the Responsible Entity (on behalf of the Fund) suffers any amount of FATCA withholding and is unable to obtain a refund for such withholding, the Responsible Entity (on behalf of the Fund) will not be required to compensate investors for any such withholding, and the effects of these amounts will be reflected in the returns of the Fund.

This information is of a general nature only. Please consult your tax advisor should you wish to understand the implications of FATCA to your particular circumstances.

9.12 COMMON REPORTING STANDARD

The Common Reporting Standard (**CRS**) is a global reporting standard for the Automatic Exchange of Financial Information developed by the Organisation for Economic Co-operation and Development (**OECD**). Australia has signed the multilateral convention and legislation to implement CRS in Australia, which has been enacted through Division 396 in Schedule 1 of the *Taxation Administration Act 1953* (Cth), to be administered by the ATO. CRS commenced for Australian financial institutions on 1 July 2017, with the first reporting of information in 2018. Under CRS, Reporting Financial Institutions have due diligence and reporting obligations.

The Fund will be an Australian Financial Institution under CRS. The Responsible Entity, on behalf of the Fund, intends to fully comply with the CRS obligations and any associated guidance from the ATO. These obligations include (but are not limited to) the Responsible Entity documenting the status of Investors that are non-residents of Australia and certain entities controlled by non-residents of Australia. The Responsible Entity is then obligated by law to report certain information on applicable investors to the ATO which may in turn report this information to the tax authority in the applicable jurisdictions.

In order to comply with their CRS obligations, the Responsible Entity is obligated to request certain information from investors. Certain information collected will be reported to the ATO which may in turn report this information to the tax authority in the applicable jurisdictions. Penalties can apply if investors fail to provide the information or provide false information.

Neither the Fund nor the Responsible Entity are liable for any loss an investor may suffer as a result of their compliance with CRS.

This information is of a general nature only. Please consult your tax advisor should you wish to understand the implications of CRS on your particular circumstances.

9.13 CONSENTS

Each of the following parties (each a **Consenting Party**) has given their written consent to the inclusion of the statements made by them, or based on statements made by them, in the form and context in which they are included, and have not withdrawn that consent at the date of this PDS:

- Deloitte Corporate Finance Pty Limited in relation to Section 5, Financial Information, and section 6, Investigating Accountant's Report;
- the Investment Manager, in relation to statements about its role and intentions; and
- AUF, in relation to statements of its intended actions in the Restructure.

No Consenting Party makes any representation or warranty as to the completeness or appropriateness of any information contained in this PDS, or takes any responsibility for statements in the PDS, other than as noted above. None of the Consenting Parties has authorised or caused the issue of this PDS.

References are also made in this PDS to entities that have certain dealings with the Responsible Entity in respect of the Fund. These entities have been referred to for information purposes only. They did not authorise or cause the issue of this PDS and have had no involvement in the preparation of any part of this PDS. They include:

- King & Wood Mallesons;
- JPMorgan Chase Bank, NA (Sydney Branch);
- Deloitte Touche Tohmatsu; and
- Boardroom Pty Limited.

9.14 ASX WAIVERS

The Responsible Entity will apply to the ASX for a waiver under ASX Listing Rule 6.24 (Compliance with Appendix 6A) so that the rates and amount of a distribution need not be announced to the ASX on the record date, and that an estimated distribution can be announced on that date, and the actual distribution rate advised when it is known.

10. GLOSSARY

$	Australian dollars
Absolute Return Hurdle	10-year US Government Bond yield
AEST	Australian Eastern Standard Time
AMIT	Attribution managed investment trust, as that term is used in the *Income Tax Assessment Act, 1997*
AFSL	Australian Financial Services Licence
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
ASX	ASX Limited, or the market operated by it, as the context requires
ASX Listing Rules	The official listing rules of ASX for the time being, subject to any modification or waivers in their application which may be granted by ASX
AUF	Asian Masters Fund Limited (ACN 127 927 584)
AUF Illiquid Investments	AUF Investments that may not be redeemed in accordance with their terms of issue or other investment terms
Benchmark	MSCI Asia ex Japan Net Total Return Index (measured in US dollars and converted to Australian dollars)
Calculation Period	Each six-monthly period ending 31 March and 30 September in each year. The first calculation period is from 30 June 2018 to 30 September 2018
CAR	Corporate Authorised Representative
Constitution	The constitution of the Fund dated 1 February 2018
Corporations Act	*Corporations Act 2001* (Cth)
Custodian	JPMorgan Chase Bank, NA (Sydney Branch) (ABN 43 074 112 011)
Custody Agreement	An agreement between the Responsible Entity and the Custodian which sets out the terms on which the Custodian will provide custodial, settlement, asset servicing and other associated services to the Fund
Derivatives	Has the meaning given in the Corporations Act
Directors	The Board of Directors of the Responsible Entity
Dixon Advisory Group or Dixon Advisory	Dixon Advisory Group Pty Limited (ACN 080 207 076) and its subsidiaries
DRP	The distribution reinvestment plan established by the Responsible Entity for the Fund
Evans Dixon or Evans Dixon Group	Evans Dixon Limited (ACN 609 913 457) and its subsidiaries
Evans and Partners	Evans and Partners Pty Ltd (ABN 85 125 338 785)
Fund	Evans & Partners Asia Fund (ARSN 624 216 404)
GST	The value added tax, if any, on goods, services and other things payable in accordance with the GST Act or another relevant and applicable legislation or law in Australia
GST Act	A *New Tax System (Goods and Services Tax) Act 1999* as amended or replaced from time to time
High Water Mark	The NAV per Unit at the end of the most recent Calculation Period for which the Investment Manager was entitled to a performance fee, less any intervening income or capital distribution. The High Water Mark can be reset in certain circumstances.
Implementation Date	The date that the Restructure becomes effective.

Index Return Hurdle	The return (expressed as a percentage) of the MSCI Asia ex Japan Net Total Return Index (measured in US dollars and converted to Australian dollars) over the Calculation Period
Investment Management Agreement	An agreement between the Responsible Entity and Evans and Partners Investment Management to act as investment manager of the Fund as described in Section 9.2
Investment Manager	Evans and Partners Investment Management Pty Limited (ACN 619 080 045) (CAR 122 52 64) a Corporate Authorised Representative of Walsh & Company Asset Management Pty Limited (ACN 159 902 708) (AFSL 450 257)
Investment Team	The Portfolio Manager, Assistant Portfolio Manager and other representatives of the Investment Manager
Investor	An investor in the Fund
Issue	
Issue Date	The date of issue of Units to Unitholders
NAV	Net asset value of the Fund
PDS	This product disclosure statement dated 23 March 2018 and lodged with ASIC on that date
Portfolio Manager	The Portfolio Manager described in Section 2.2 and Section 8.6
RITC	Reduced input tax credit arising under the GST Act
Responsible Entity	Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 433)
Restructure	The restructure of Asian Masters Fund (ACN 127 927 584) from a listed investment company to a managed investment scheme
Shareholders' Meeting	The meeting of AUF shareholders to approve the resolutions relevant to effect the Restructure
Share	A fully paid ordinary share in AUF
Securities Act	*US Securities Act of 1933*
Target Distribution	The target cash distribution of 4% per annum based on the NAV at or around the beginning of the relevant distribution period, paid semi-annually
Unit	An ordinary unit in the Fund
Unitholder	A holder of a Unit
US	The United States of America
US Person	Any "US Person" as defined in Regulation S under the *US Securities Act of 1933*
Walsh & Company	Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 433)

11. CORPORATE DIRECTORY

FUND

Evans & Partners Asia Fund (ARSN 624 216 404)

Level 15, 100 Pacific Highway
NORTH SYDNEY NSW 2060

T 1300 454 801
F 1300 883 159
E info@asiafund.com.au

www.asiafund.com.au

RESPONSIBLE ENTITY

Walsh & Company Investments Limited
(ACN 152 367 649) (AFSL 410 433)

Level 15, 100 Pacific Highway
NORTH SYDNEY NSW 2060

T 1300 454 801
F 1300 883 159
E info@walshandco.com.au

www.walshandco.com.au

INVESTMENT MANAGER

Evans and Partners Investment Management Pty Limited
(ACN 619 080 045) (CAR 1255 264)

Level 15, 100 Pacific Highway
NORTH SYDNEY NSW 2060

T 1300 454 801
F 1300 883 159
E info@asiafund.com.au

www.asiafund.com.au

AUDITOR

Deloitte Touche Tohmatsu

Grosvenor Place, 225 George Street
SYDNEY NSW 2000

INVESTIGATING ACCOUNTANT

Deloitte Corporate Finance Pty Limited

Grosvenor Place, 225 George Street
SYDNEY NSW 2000

UNIT REGISTRY

Boardroom Pty Limited

Grosvenor Place, Level 12 225 George Street
SYDNEY NSW 2000

T 1300 737 760
F 1300 653 459
E enquiries@boardroomlimited.com.au

www.boardroomlimited.com.au

LEGAL ADVISOR

King & Wood Mallesons

Level 61, Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

CUSTODIAN

JPMorgan Chase Bank, NA (Sydney Branch)
(ABN 43 074 112 011)

Level 18, 85 Castlereagh Street
SYDNEY NSW, 2000

EVANS & PARTNERS

Asia Fund