

Evans & Partners Asia Fund
(ARSN 624 216 404)
General Meeting

12:00 pm Sydney Time
Wednesday, 14 November 2018

Level 15
100 Pacific Highway
North Sydney NSW 2060

Evans & Partners Asia Fund
Notice of Meeting 2018

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**Evans & Partners Asia Fund
(ARSN 624 216 404)**

Notice of General Meeting

GENERAL MEETING

Notice is given that the General Meeting of Unitholders of the Evans & Partners Asia Fund (**Fund**) will be held at the time, date and place detailed below to consider and vote on the following resolutions in this Notice of Meeting:

Date: 14 November 2018
Time: 12:00 pm (AEDT)
Venue: Level 15, 100 Pacific Highway
North Sydney, NSW 2060

It is recommended that holders of units in the Fund (**Unitholders**) read the Notice of Meeting and Explanatory Memorandum in full and seek professional advice if they are uncertain about how they should cast their votes at the General Meeting.

The Directors unanimously recommend that Unitholders vote in favour of all resolutions set out in the Notice of Meeting.

Capitalised terms are defined in the Glossary.

BUSINESS

Resolution 1 – Approval of On-market Buyback

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That the Fund authorises and approves, for the purposes of Section 601KH(8)(a) of the Corporations Act (as inserted by ASIC Legislative Instrument 2016/1159) and for all other purposes, the buyback of up to 25% of the issued Units on-market during the 12 month period from 15 November 2018 as detailed in the Explanatory Memorandum which accompanies this Notice of Meeting.”

Without limitation, Section 601KH(8)(a) of the Corporations Act 2001 (Cth) (**Corporations Act**)(as inserted by ASIC Legislative Instrument 2016/1159) is relevant to this resolution.

Resolution 2 – Approval of Issue of Units

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“For the purposes of Listing Rule 7.1, that the issue of up to **64,418,277** Units pursuant to an offer to subscribe for Units to be made under a product disclosure statement to be issued by the Responsible Entity of the Fund at the issue price and on the terms and conditions set out in the Explanatory Memorandum, is authorised and approved.”*

Voting Exclusion Statement:

The Fund will disregard any votes cast in favour of Resolution 2 by a person who may participate in the proposed issue, and any of their associates, and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Units, if the resolution is passed.

However, the Fund need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote on Resolution 2, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Note: Unitholders who vote on Resolution 2 and whose votes are counted will not be eligible to participate in the offer for Units pursuant to the approval obtained in Resolution 2.

Resolution 3 – Approval of 10% Increase in Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of up to 10% of the issued capital of the Fund (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the accompanying Explanatory Memorandum.”

Voting Exclusion Statement:

The Fund will disregard any votes cast in favour of Resolution 3 by a person who may participate in the proposed issue, and any of their associates, and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Units, if the resolution is passed.

However, the Fund need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote on Resolution 3, in accordance with the directions on the proxy form; or
- (b) a person chairing the meeting as proxy for a person who is entitled to vote on Resolution 3, in accordance with a direction on the proxy form to vote as the proxy decides.

All Resolutions will be by poll

In accordance with Clause 20.17 of the Constitution, the Chairman intends to call a poll on each of the resolutions proposed at the General Meeting. Each resolution considered at the General Meeting will therefore be conducted by a poll, rather than on a show of hands. The Chairman considers voting by poll to be in the interests of the Unitholders as a whole and ensures the view of as many Unitholders as possible are represented at the General Meeting.

Other Information

An Explanatory Memorandum accompanies and forms part of this Notice of Meeting.

All Unitholders should read the Explanatory Memorandum carefully and in its entirety. Unitholders who are in doubt regarding any part of the business of the General Meeting should consult their financial or legal advisor for assistance.

Proxies

Any Unitholder entitled to attend and vote at this General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead.

A proxy need not be a Unitholder of the Fund.

If the Unitholder appoints two proxies, the Unitholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. If the specified proportion or number of votes exceeds that which the

Unitholder is entitled to, each proxy may exercise half of the Unitholders votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

On a poll, each proxy or attorney may only exercise votes in respect of those Units or voting rights the proxy or attorney represents.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form provided with this Notice of Meeting. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on your behalf and your Units will not be counted in computing the required majority on a poll. If you do not mark a voting instructions box in respect of a particular resolution, you are directing your proxy to vote as he or she decides, subject to any voting exclusions that apply to the proxy.

Proxies must be:

- (a) lodged by posting them or delivering them by hand to the address specified below; and
- (b) received at the fax number specified below; or
- (c) registered online at <https://www.votingonline.com.au/eafigm2018>,

not later than 48 hours before the General Meeting i.e **12:00 pm (AEDT) on 12 November 2018**.

Address: Boardroom Pty Limited, GPO BOX 3993, Sydney NSW 2001, Australia

Fax Number: +61 2 9290 9655

Entitlement to Vote

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Fund has determined that for the purposes of the General Meeting all Units will be taken to be held by the persons who held them as registered holders at 7.00pm (AEDT) on 12 November 2018. Accordingly, Unit transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

By order of the Board

Hannah Chan
Company Secretary
Responsible Entity

18 October 2018

Evans & Partners Asia Fund (ARSN 624 216 404) Explanatory Memorandum

This Explanatory Memorandum relates to the General Meeting of Unitholders of the Evans & Partners Asia Fund (**Fund**) to be held at Level 15, 100 Pacific Highway, North Sydney NSW 2060 on **14 November 2018 at 12:00pm (AEDT)**.

Resolution 1 - Approval of on-market buyback

1.1 Overview

The Fund's goal is to manage its capital so as to achieve the most efficient capital structure and optimise returns to Unitholders. Accordingly, the Fund is seeking to obtain Unitholder approval so that it has the flexibility to undertake buybacks during the 12 month period from 15 November 2018, should market conditions support this. The Responsible Entity believes that such flexibility will support the Fund's goals of achieving the most efficient capital structure possible, and optimising returns to Unitholders.

The Responsible Entity, on behalf of the Fund, is seeking Unitholder approval to buyback Units on-market. If Unitholders approve the buyback, the Fund will be permitted to buyback a maximum of 25% of the numbers of Units it has on issue as at the close of trade on 14 November 2018 over the next 12 months. If approved by Unitholders, the buyback period will be on and from 15 November 2018 to close of trade on 13 November 2019, unless terminated earlier by the Fund.

This Explanatory Memorandum sets out information that is material to the Unitholder's decision on how to vote on the buyback resolution, including the reasons for the buyback, the applicable terms, the financial implications and the possible advantages and disadvantages of the on-market buyback program.

The proposed buyback will (if approved) be conducted in accordance with the Fund's Constitution and Section 601KH of the Corporations Act (as inserted by ASIC Legislative Instrument 2016/1159).

1.2 Purpose of the Resolution

The purpose of the buyback resolution is to seek Unitholder approval to commence a buyback program. Under the Corporations Act, the Fund must obtain the approval of its Unitholders in order to buyback more than 10% of the smallest number of votes attaching to the voting Units that the Fund had on issue during the 12 months preceding the buyback (**10/12 limit**).

The buyback resolution will be approved if more than 50% of votes cast at the General Meeting on the resolution are in favour of the resolution.

If approval is given, the Fund will be able to implement the new buyback scheme to buy back further Units on and from 15 November 2018, on the terms outlined in this Explanatory Memorandum.

If approval is not given, then the Fund will buy back Units without Unitholder approval, as long as it does not exceed the 10/12 limit.

1.3 Reasons for the buyback

The Responsible Entity considers that an on-market buyback is an effective means of returning any surplus capital to Unitholders and will enable the Fund to maintain an efficient capital structure. The Responsible Entity also considers that an on-market buyback provides the Fund with flexibility to adjust the volume of Units bought and can stop buying at any time. The principal alternative method of returning capital, being a pro rata distribution of capital to all holders, does not afford the same flexibility. An off-market buyback (characterised as a withdrawal scheme) does not afford the Responsible Entity the ability to adjust the buyback to take account of changing market conditions in the same way as a progressive on-market buyback. Implications of the buyback program for the Fund's financials are set out in this Explanatory Memorandum.

1.4 Responsible Entity's recommendation

The Responsible Entity recommends that Unitholders vote in favour of the buyback resolution. However, in deciding how to vote, Unitholders should be aware that, among other things, some of the disadvantages of the buyback include:

- The Fund's net assets will be reduced by the amount expended on the buybacks.
- While the buybacks may provide some liquidity in the Fund's Units in the short term, they will likely result in reducing the liquidity in the Fund's Units in the long term due to a smaller number of Units on issue for trading.

The general advantages of an on-market buyback include the following:

- Purchases on-market can be tailored to changing market conditions.
- The Responsible Entity has complete flexibility to adjust the volume of Units bought and can stop buying at any time.
- Implementation of an on-market buyback is simple and cost-effective.

The Directors also consider the following to be advantages of the buybacks:

- The promotion of a more efficient capital structure.
- Providing investors with an opportunity to realise their investment close to NTA if that is their desire.

1.5 Outline of on-market buybacks

An on-market buyback involves the Responsible Entity, on behalf of the Fund, buying Units in the ordinary course of trading at the prevailing market price on the ASX, in the same way as any other market transaction. It is a requirement of the Corporations Act that the Responsible Entity must not buyback Units on-market by way of a special crossing or priority crossing.

The implementation of an on-market buyback is regulated by both ASIC and the ASX. In particular, the ASX Listing Rules prescribe that the buyback price must not be more than 5% above the volume weighted average price (**VWAP**) for Units in the Fund over the previous 5 days on which sales in the Units were recorded before the buyback.

The closing price of the Fund's Units on the ASX as at 26 September 2018 was \$1.19. The Fund's highest and lowest market sales and the average monthly closing prices on the ASX for the calendar year to 26 September 2018 were as follows:

Period	Low (\$)	High (\$)	Average Closing Price (\$)
May 2018	1.10	1.25	1.21
June 2018	1.18	1.275	1.24
July 2018	1.18	1.24	1.21
August 2018	1.17	1.22	1.20
September 2018	1.15	1.2	1.18

Source: Iress

The Fund must announce on the ASX the period during which Units may be bought back (if the Responsible Entity has determined this), the maximum number of Units intended to be bought back and any other information that affects a Unitholder's decision to sell Units. The Fund also has to give daily notices containing details of the Units bought back.

All Unitholders are eligible to participate by selling their Units to the Fund on the ASX. Participation in any buyback is voluntary. Unitholders do not have to sell their Units if they do not want to. Unitholders will not, however, have the right to withdraw sales once made.

The maximum number of Units that the Responsible Entity, on behalf of the Fund, will buyback on-market will be an amount equal to 25% of the issued Units in the Fund as at the close of trade on **26 September** 2018. Assuming there are no issues of Units between the date of this Notice of Meeting and the date of the General Meeting this could be up to 32,209,138 Units.

Since an on-market buyback involves Units being acquired at the market price of Units at that time, it is not possible to anticipate the total actual amount the Responsible Entity, on behalf of the Fund, will expend on paying for the Units. In any event the Responsible Entity, on behalf of the Fund, does not intend to pay a price higher than the estimated NTA for the Units.

Financial implications of the buyback program

The buyback will be funded from the Fund's available cash reserves and, if required, the sale of certain investments.

The Responsible Entity, on behalf of the Fund, has determined that the buyback will not materially prejudice the Fund's ability to pay creditors.

As at 26 September 2018, the Fund has \$2,348,510 of cash reserves available as a source of funding the buyback. The actual amount of the buyback to be funded will not be determined until the completion of the buyback program. Drawing on the available cash reserves will deplete the remaining cash reserves available following the buyback.

The exact impact on earnings per Unit of any buyback cannot be determined until the buyback is completed and will depend on the number of Units bought back, the volume-weighted average buyback price and how the buyback program is funded.

A buyback may decrease the ASX trading volumes and liquidity in the Fund's Units. It is not, however, possible to determine the extent of any potential decrease in liquidity at this time.

Whilst it is not possible to anticipate the total actual amount that the Fund will expend on paying for the Units, the buyback will not adversely affect NTA.

Effect on control of the Fund

It is not expected that there will be any effect on control of the Fund following the buyback.

1.6 Other material information

Approval of the resolution will not result in any tax implications for Unitholders if they do not sell their Units. However, if a Unitholder chooses to participate in the buyback by selling their Units then that Unitholder should obtain specific tax advice on the treatment of the sale of their Units taking into account their particular circumstances.

At 26 September 2018, the Fund has 128,836,555 Units on issue.

The Directors of the Responsible Entity have the following interests in the Fund at the date of this Notice of Meeting:

Name	Holding Units	% Voting Interest
Alex MacLachlan	30,308	0.02%
Warwick Keneally	7,628	0.01%
Michael Adams	0	0.00%

The following table shows the relevant voting interest that each Director of the Responsible Entity would have if the Fund bought back 25% of the issued Units permitted under any approval of the buyback given and if the Directors of the Responsible Entity did not sell any of their Units:

Name	Holding Units	% Voting Interest
Alex MacLachlan	30,308	0.03%
Warwick Keneally	7,628	0.01%
Michael Adams	0	0.00%

The Directors of the Responsible Entity may participate in the buyback program.

Resolution 2 – Approval of issue of Units

Resolution 2 refers to a proposal to allow for the issue of up to 64,418,277 Units pursuant to an offer which would be made to existing Unitholders and other investors in accordance with a product disclosure statement (**PDS**) to be issued by the Responsible Entity of the Fund (**Offer**). This Offer requires Unitholder approval under Listing Rule 7.1 as the issue of these Units would exceed the 15% limit permitted by Listing Rule 7.1. Resolution 2, if passed, would authorise the issue of these Units for the purposes of Listing Rule 7.1.

These Units would be issued pursuant to an Offer to subscribe for Units in accordance with a PDS to be issued to existing Unitholders and other investors in accordance with Chapter 7 of the Corporations Act.

These Units would rank equally with and have the same terms as existing Units in the Fund.

The Fund's Constitution provides that the Responsible Entity may issue Units at a price determined by reference to the price at which Units trade on ASX prior to the date of offer, the closing date, or the date of issue. The Responsible Entity may also set an issue price on an alternate basis, for example by reference to the NTA of the Fund, in accordance with relief granted by ASIC under legislative instrument from time to time.

The precise issue price cannot be specified as at the date of this Explanatory Memorandum.

ASX Listing Rule 7.3.3 requires this Explanatory Memorandum to state either a fixed price or a minimum price at which Units will be issued. As the issue price for any Units under the Offer has yet to be determined, the Responsible Entity seeks approval from Unitholders to issue Units on the basis that the issue price will be no lower than 80% of the average daily VWAP of Units recorded over the last 5 days on which Units traded on ASX prior to the date of the PDS. While subject to trading in Units on ASX over this calculation period, the Responsible Entity expects any issue of Units under the Offer would be above this minimum price.

The proceeds of the Offer would be utilised by the Fund to take advantage of attractive market conditions as they arise and secure additional fund investments at attractive valuation levels. The capital raising

would allow the Fund to further diversify the portfolio, reduce administrative overheads per Unit by spreading those costs over a larger base and, over time, enhance liquidity in the secondary market.

The issue of any of these Units would take place after the passage of Resolution 2 and the close of the Offer but in any event within 3 months of the date of this General Meeting. It should be noted that Unitholders who vote on Resolution 2 and whose votes are counted will not be eligible to participate in any capital raisings pursuant to the approval obtained for Resolution 2.

Resolution 3 – Approval of 10% increase in placement capacity

3.1 Background

ASX Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of issued capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Fund's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purpose of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Fund is currently an eligible entity.

The Fund is now seeking unitholder approval by way of a special resolution to have the ability to issue "equity securities" under the 10% Placement Facility. "Equity securities" includes (a) a share, (b) a unit, (c) a right to a share or unit or option, (d) an option over an issued or unissued security and (e) a convertible security (an **Equity Security**).

The exact number of Equity Securities to be issued under the 10% Placement Facility cannot be specified as at the date of this Explanatory Memorandum.

3.2 Description of ASX Listing Rule 7.1A

(a) Unitholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Unitholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Fund.

(c) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained unitholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula.

$$(A \times D) - E$$

A is the number of units on issue 12 months before the date of issue or agreement to issue,

plus the number of fully paid units issued in the 12 months under an exception in ASX Listing Rule 7.2,

plus the number of partly paid units that became fully paid in the 12 months,

plus the number of fully paid units issued in the 12 months with approval of holders of units under ASX Listing Rule 7.1 or 7.4. This does not include an issue of fully paid units under the entity's 15% placement capacity without unitholder approval,

less the number of fully paid units cancelled in the 12 months.

Note that A has the same meaning in ASX Listing Rule 7.14 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of unitholders under ASX Listing Rule 7.1 or 7.4.

(d) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

If passed, Resolution 3 will allow the Responsible Entity, on behalf of the Fund, to issue up to an additional 10% of the Fund's issued capital during the 12 month period following the date of the General Meeting without requiring further unitholder approval. This is in addition to the Fund's 15% annual placement capacity provided for in ASX Listing Rule 7.1.

The actual number of Equity Securities that the Fund will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

(e) Minimum Issue Price

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities will not be issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Unitholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the General Meeting at which the approval is obtained; or
- (ii) the date of the approval by unitholders of a transaction under ASX Listing Rule 11.1.2 (a significant change in the nature and scale of activities) or 11.2 (disposal of main undertaking); or
- (iii) such longer period if allowed by the ASX (**10% Placement Period**).

3.3 ASX Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Responsible Entity to issue the Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Fund's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by unitholders present and eligible to vote (in person, by proxy, by attorney, in the case of a corporate unitholder, by a corporate representative).

3.4 Specific information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Fund's Equity Securities over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (a)(i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Unitholders and the Fund issues Equity Securities under the 10% Placement Facility, the voting power of existing Unitholders in the Fund will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Fund's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Fund's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Unitholders on the basis of the current market price of Units and the current number of Units for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%, Variable "A" is based on the number of Units the Fund has on issue. The number of Units on issue may increase as a result of issues of Units that do not require unitholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or further specific placements under ASX Listing Rule 7.1 that are approved under Resolution 2 or at a future meeting of Unitholders; and
- (ii) two examples of where the issue price of Units has decreased by 50% and increased by 100% against the current market price.

Variable “A” in ASX Listing Rule 7.1A.2		Dilution		
	Issue Price per unit	\$0.60	\$1.19	\$2.38
Current variable A 128,836,555 Units	Number of Units issued – dilution	12,883,656	12,883,656	12,883,656
	Funds raised	\$7,730,194	\$15,331,551	\$30,663,101
50% increase in current variable A 193,254,833 Units	Number of Units issued – dilution	19,325,483	19,325,483	19,325,483
	Funds raised	\$11,595,290	\$22,997,325	\$45,994,650
100% increase in current variable A 257,673,110 Units	Number of units issued – dilution	25,767,311	25,767,311	25,767,311
	Funds raised	\$15,460,387	\$30,663,100	\$61,326,200

¹ 50% decrease in the Issue Price from the price of Units at the close of trading on 26 September 2018

² Issue Price of the same price as Units at the close of trading on 26 September 2018

³ 100% increase in the Issue Price from the price of Units at the close of trading on 26 September 2018

The table has been prepared on the following assumptions:

- I. The Fund issues (as Units) the maximum number of Equity Securities available under the 10% Placement Facility.
 - II. The dilution reflects the aggregate percentage dilution against the issued capital at the time of issue, representing a voting dilution of 10%.
 - III. The table does not show an example of dilution that may be caused to a particular Unitholder by reasons of placements under the 10% Placement Facility, based on that Unitholder's holding as at the date of the General Meeting.
 - IV. The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - V. The issue of Equity Securities under the 10% Placement Facility consists only of Units.
 - VI. The Issue Price of \$1.19 per Unit, being the last closing price of the Units on ASX as at 26 September 2018.
- (c) The Fund will only issue and allot Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Unitholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature and scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).
- (d) The Fund may seek to issue Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Fund will provide a valuation of non-cash consideration as required under ASX Listing Rule 7.1A.3; or

- (ii) cash consideration, in which case the Fund may use the funds raised towards investment in a portfolio of securities consistent with the investment strategy of the Fund, costs of the offer and other working capital purposes.

The Fund will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of the Equity Securities.

- (e) The Fund's allocation policy is dependent on the prevailing market conditions at the time of any issue pursuant to the 10% Placement Facility. The identities of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to:
 - (i) the methods available of raising funds, including but not limited to, rights issue, unit purchase plan or other issue structure in which existing unitholders can participate,
 - (ii) the effect of the issue of Equity Securities on the control of the Fund, and
 - (iii) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing Unitholders or new Unitholders who are not related parties or associates of a related party of the Fund.

- (f) The Fund has not previously obtained approval under Listing Rule 7.1A.

3.5 Responsible Entity recommendation and Chairman's voting intention for Resolution 3

The Responsible Entity recommends that Unitholders vote in favour of this resolution.

The Chairman of the General Meeting intends to vote undirected proxies **in favour** of this resolution.

3.6 Voting Exclusion

A voting exclusion applies to Resolution 3.

At the date of the Notice of Meeting, the Fund has not approached any particular existing Unitholders or an identifiable class of existing Unitholders to participate in the issue of the Equity Securities. Therefore, no existing Unitholder votes will be excluded under the voting exclusions.

Glossary

In this Explanatory Memorandum and the Notice of Meeting:

10% Placement Facility means the ability under Listing Rule 7.1A for the Fund (an eligible entity) to issue up to 10% of its issued capital through placements over a 12 month period after the General Meeting.

10% Placement Period means the period in which the 10% placement capacity under Resolution 3 may be utilised as described above.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange.

Board means the board of the Responsible Entity of the Fund.

Constitution means the constitution of the Fund dated 1 February 2018 as amended from time to time.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director means a director of the Responsible Entity of the Fund.

Equity Security means an equity security as defined in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum which forms part of the Notice of Meeting.

Fund means Evans & Partners Asia Fund (ARSN 624 216 404).

General Meeting means the meeting referred to in the Notice of Explanatory Memorandum scheduled to be held on 14 November 2018.

Listing Rules means the listing rules of the ASX.

Notice of Meeting means this notice of meeting in respect of the General Meeting.

NTA means the Fund's net tangible asset backing calculated on a per Unit basis as the total assets of the Fund less its total liabilities and divided by the number of Units on issue.

PDS means a product disclosure statement.

Regulations means the *Corporations Regulations 2001 (Cth)*.

Responsible Entity means Walsh & Company Investments Limited (ACN 152 367 649).

Section means a section of the Corporations Act.

Unit means an ordinary unit in the Fund, being an undivided share in the beneficial interest in the Fund.

Unitholder means a registered holder of a Unit.

VWAP means the volume weighted average price of a Unit sold on the ASX trading platform.

