



PROVIDENCE  
ASSET GROUP



# INFORMATION MEMORANDUM

Private & Confidential

**Providence Infrastructure Fund**

Providence Fund Services Pty Ltd ACN 101 461 090

7 March 2019

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## Disclaimer

This information memorandum (IM) is dated 7 March 2019 and is issued by Providence Fund Services Pty Ltd ACN 101 461 090 (Trustee, we or us). The Trustee is the trustee of the Providence Infrastructure Fund (Fund), and holds an Australian Financial Services Licence (AFS Licence) number 222334.

The Trustee has appointed Providence Investment Management Pty Ltd ACN 631 604 129 (Manager) as the investment manager of the Fund. The Manager is related to the Trustee, and an authorised representative of the Trustee in relation to the Trustee's AFS Licence.

In this IM, "we", "our" and "us" refer to the Trustee and "you" and "your" refer to potential or existing investors in the Fund.

### **Wholesale investors only**

The offer under this IM to invest in the Fund (Offer) is available to investors who are wholesale clients (as defined in the Corporations Act 2001 (Cth) (Act)) only. By receiving this IM, you acknowledge and agree that you are a wholesale client. We will not issue units in the Fund (Units) to you unless we are satisfied you are a professional investor (as this term is defined in the Corporations Act 2001 (Cth) (Act)), you invest at least \$500,000 into the Fund, you meet the minimum asset (\$2.5 million of net assets) or income (\$250,000 of gross income for the last two financial years) requirements, or you otherwise satisfy us you are not a "retail client" for the purposes of Chapter 7 of the Act.

### **Foreign jurisdictions**

This Offer is available to investors in Australia only. This IM does not constitute an Offer in any jurisdiction other than Australia and the distribution of this IM outside of Australia may be restricted by law. If you come into possession of this IM in another jurisdiction, you should seek your own advice, and observe any such restrictions of the laws of that jurisdiction. We will take your return of a duly completed application form to invest in Units in the Fund to constitute a representation and warranty by you that you have accepted this Offer in Australia.

### **Foreign languages**

This IM has been prepared in English and is intended to be read and understood in English. The Trustee has not issued or caused the issue of this IM in any language other than English. Any translations into other languages are for information purposes only. In the event of any inconsistency between this English language version of the IM and a translation into another language, this English language version will prevail.

### **Not investment advice. Seek your own financial advice**

We have prepared this IM without taking account of your investment objectives, financial situation or needs. This IM does not contain investment, legal, tax or immigration advice, nor is it a recommendation or opinion on the merits of investing in the Fund. You should seek professional advice and conduct your own investigation and analysis regarding the information contained in this IM. Investment in the Fund is speculative and may not be appropriate for you. You should consider the appropriateness of this IM having regard to your objectives, financial situation and needs before investing in the Fund.

### **Not a product disclosure statement or prospectus**

The Fund is an unregistered managed investment scheme. This IM is not a product disclosure statement within the meaning of the Act. Accordingly, this IM does not contain the same disclosure required for registered managed investment schemes that issue PDSs.

You should read this IM, including all available supplements to this IM carefully in full before investing. This IM must be read in conjunction with the Fund's constitution or trust deed (Constitution) for further information about your rights and obligations as an investor in the Fund and our rights and obligations as the trustee of the Fund. If there are inconsistencies between this IM and the Constitution, the Constitution will prevail.

Statements made in this IM are made at the date of this IM. Under no circumstance does the delivery of this IM at any time or the issue of any Units in the Fund create an implication the information contained in this IM is correct at any other time subsequent to such date.

### **Not regulated by the Australian prudential regulation authority (APRA)**

The Trustee is not authorised under the Banking Act 1959 (Cth) (Banking Act) and is not supervised by APRA, nor are investments in the Fund covered by the deposit or protection provisions in section 13A of the Banking Act.

### **No guarantee**

We do not guarantee the performance of the Fund, the repayment of capital or any income or capital return; and nor any of our respective directors, associates or advisors. An investment in the Fund is subject to risks. These are detailed in section 5 of the IM. You should familiarise yourself with those risks carefully before making a decision in relation to an investment in the Fund.

### **No responsibility for contents of document**

To the extent permitted by law, we and our directors, associates and advisors do not represent or warrant (expressly or impliedly) the information in this IM is complete, true and correct and not misleading or likely to be misleading, or are responsible or in any circumstance liable for any statement made in this IM. You should make your own enquiries to ascertain the accuracy of any information upon which you intend to rely.

### **Forward looking statements**

This IM includes forward looking statements that may contain the words "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this IM, including, without limitation, those regarding the Fund's financial position and business or investment strategy, plans and objectives are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Fund to be materially different from future results, performance or achievements expressed or implied by such forward looking statements.

Any forward looking statements are based on numerous assumptions regarding the Fund's operations and present and future business and investment strategies and the markets in which the Fund will operate in the future. These forward looking statements are made on the date of this IM. Accordingly, there can be no assurance that such statements, estimates or projections will be realised.

**Trustee limitation of liability**

The Trustee enters into transactions in relation to the Fund in its capacity as trustee of the Fund only, not in its personal capacity. Except in certain circumstances (including fraud, negligence or wilful default by the Trustee), the Trustee is typically indemnified in relation to all losses suffered by it in relation to those transactions. In addition, the Trustee's liability in relation to those transactions is limited to the assets of the Fund.

**Disclosure of interests**

The Trustee or its related entities may also acquire Units on the same terms and with the same rights as other investors in the Fund.

**Updated information**

The information contained in this IM can change, and the IM may be updated or replaced from time to time. Unless the changed information is materially adverse to you, the Trustee may not always update or replace this IM to reflect the changed information.

**Other representations**

Applicants should read this IM in full before deciding whether or not to invest in the Fund. In the event of any inconsistency between this IM and any representation (including without limitation any marketing or promotional material) made by any party then this IM will prevail.

**Confidentiality**

This IM is provided on a strictly confidential basis solely for your information and exclusive use to assess an investment in the Fund and may not be used for any other purpose. This IM may not be copied, reproduced, republished, posted, transmitted, distributed, disseminated or disclosed, in whole or in part, to any other person in any way without our prior written consent, which we may withhold in our absolute discretion. By accepting this IM, you agree you will comply with these confidentiality restrictions and acknowledge your compliance is a material inducement to us providing this IM to you.

**Glossary and financial details**

Capitalised terms in this IM are defined in the section 9 and all references to dollar amounts in this IM are in Australian dollars, unless otherwise stated.

# DIRECTORY

## **Trustee**

Providence Fund Services Pty Ltd  
ACN 101 461 090  
Unit 704, 97-99 Bathurst Street  
Sydney NSW 2000

## **Investment Manager**

Providence Investment Management Pty Ltd  
ACN 631 604 129  
Unit 704, 97-99 Bathurst Street  
Sydney NSW 2000

## **Administrator**

Mainstream Fund Services Pty Ltd  
ACN 118 902 891  
Level 1, 51-57 Pitt Street  
Sydney NSW 2000

## **Registrar**

Mainstream Fund Services Pty Ltd  
ACN 118 902 891  
Level 1, 51-57 Pitt Street  
Sydney NSW 2000

## **Custodian**

Perpetual Corporate Trust Limited  
ABN 99 000 341 533  
Level 18, 123 Pitt Street  
Sydney NSW 2000



# Key Features

The table on the next page is only a summary of the key features of an investment in the Fund. It is not intended to be exhaustive. You must read the whole of this IM to obtain more detailed information before making a decision to invest.

About the Fund		Section
Fund	Providence Infrastructure Fund	3.1
Trustee	Providence Fund Services Pty Ltd ACN 101 461 090	2.2
Manager	Providence Investment Management Pty Ltd ACN 631 604 129	2.3
Investment return objective	The Fund aims to provide Investors with a total return of 5.50% per annum (after fees and costs, but before tax) over the suggested minimum investment timeframe.	3.2
Investment strategy	The Fund aims to provide Investors with exposure to a diversified portfolio of infrastructure assets in Australia. The Fund may access this exposure directly or indirectly and through any type of instrument, including, without limitation, debt and equity.	3.4
Who can invest?	To qualify to invest in the Fund, you must: <ul style="list-style-type: none"> <li>a. be a professional investor (as this term is defined in the Act);</li> <li>b. invest at least \$500,000 into the Fund;</li> <li>c. meet the minimum asset (\$2.5 million of net assets) or income (\$250,000 of gross income for the last two financial years) requirements set out in the Act; or</li> <li>d. otherwise satisfy us you are not a “retail client” for the purposes of Chapter 7 of the Act.</li> </ul>	3.5
Units	There will be one class of Units in the Fund.	3.7
Unit prices	The application price and withdrawal price of Units are calculated monthly in accordance with the terms of the Constitution; based on the Fund’s net asset value, and may include a spread.	3.8
Issue of Units	Subject to the following paragraph, Units are generally issued on the last Business Day of each month after both the Application Form and Application Money have been received and accepted by the Registrar on behalf of the Trustee. <p>The cut-off time for receipt by the Registrar of applications is 5:00pm (Sydney time) five Business days before the last Business Day of the month.</p>	3.9
Minimum investment amount	The minimum investment amount is \$500,000 (or such lower amount as we accept at our discretion). <p>Following the minimum initial investment, Investors may invest additional funds in the Fund at our discretion.</p>	3.10

About the Fund		Section
Suggested minimum investment timeframe	4 years	3.3
Distributions	It is intended that income distributions will be paid at the end of each Quarter.	3.11
Withdrawals	<p>The Fund will not offer regular liquidity. An investor has no right to withdraw their investment in the Fund, and the Trustee has no obligation to offer or permit withdrawals of investments from the Fund.</p> <p>If an Investor wishes to withdraw their investment from the Fund, then they can submit a withdrawal request, which the Trustee can decide to accept or reject in its absolute discretion. The Trustee can decide to accept all or only part of a withdrawal request. If the Trustee accepts only part of a withdrawal request, then the remainder of the withdrawal request will be rejected and Investors will need to submit a further withdrawal request for any rejected withdrawal requests. Please contact the Trustee for information about how to make a withdrawal request.</p> <p>In addition and from time to time, the Trustee may make a withdrawal offer to all Investors in the Fund. The making of a withdrawal offer by the Trustee is not promised or guaranteed and is entirely at the discretion of the Trustee. If the Trustee does make a withdrawal offer, it is intended that such offer will be made to Investors in order of their time of investment in the Fund.</p>	3.12
Risks	Like any investment of this type, there are risks associated with investing in the Fund. Distributions are not guaranteed, nor are any capital returns.	5
Fees and costs	There are fees and expenses (plus GST) payable in relation to the management of the Fund.	6
Tax information	Before investing in the Fund, you should obtain your own independent tax advice, which takes into account your own circumstances.	7
Significant Investor Visa requirements	It is intended that an investment in the Fund will be a complying Old SIV Regime investors.	8.15



# Management of the Fund

MANAGEMENT OF THE FUND

## 2.1. About the Providence Asset Group (PAG)

PAG is an Australian-based multi-asset investment management business, focused on delivering superior investment returns for its investors through smart investing, active management and continuous improvement. To achieve this, PAG is uniquely positioned to manage and deliver value across the entire lifecycle of its investments, and operates a number of entities that:

- are licensed to act as a trustee and provide investment advisory services;
- provide asset management services; or
- invest in and conduct research and development in respect of its assets under management.

These entities include the Trustee and the Manager.

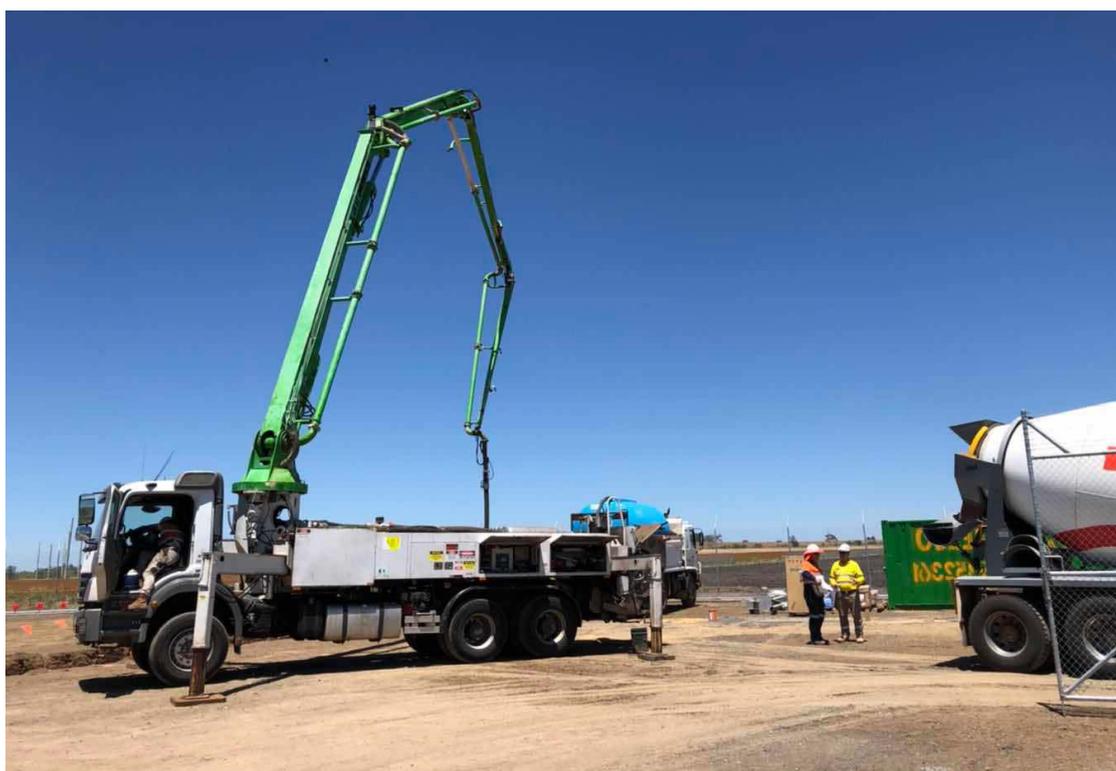
Henry Sun is the founder and chief executive officer of PAG and leads the company with over 25 years of experience in retail and corporate banking, venture capital, private equity and infrastructure investments and advisory. He is supported by a highly experienced multi-disciplinary management team with expertise in investment management across various asset classes.

## 2.2. About the Trustee

Providence Fund Services Pty Ltd ACN 101 461 090 is the trustee of the Fund and holds an AFS Licence (number 222334). The Trustee is part of PAG.

## 2.3. About the Manager

Providence Investment Management Pty Ltd ACN 631 604 129 has been appointed as the investment manager of the Fund. The Manager is related to the Trustee, and an authorised representative of the Trustee in relation to the Trustee's AFS Licence. The Manager is also part of PAG.





# Details of the offer

DETAILS OF THE OFFER

### 3.1. The structure of the Fund

The Fund is an Australian unit trust. Unit trusts are vehicles which enable investors to pool their money with that of other investors. The pooling, amongst other reasons, enables you to gain exposure to markets that may otherwise be difficult to access.

Investment in the Fund is governed primarily by the Fund's Constitution. Please refer to section 8.1 of this IM for a summary of Investors' rights and obligations under the Constitution.

The Trustee has appointed the Manager as the investment manager of the Fund pursuant to the Investment Management Agreement.

The Trustee, as trustee of the Fund, will invest in a number of different types of assets, as detailed in section 3.3.

### 3.2. Investment return objective

The Fund aims to provide Investors with a total return of 5.50% per annum (after fees and costs, but before tax) over the suggested minimum investment timeframe.

The Fund may not be successful in meeting its objective. Returns are not guaranteed, nor is the return of capital.

### 3.3. Suggested minimum investment timeframe

4 years

### 3.4. Investment strategy

The Fund may invest in the following:

<b>Infrastructure Investments</b>	These are investments in: <ol style="list-style-type: none"> <li>a. developed infrastructure assets; and/or</li> <li>b. greenfield sites and/or assets to be located on greenfield sites upon which infrastructure assets are proposed to be constructed.</li> </ol>
<b>Cash Investments</b>	These are investments in cash held by Australian ADIs, including (without limitation) term deposits.

The Fund may make the above types of investments directly, or indirectly by investing in Sub Entities.

See section 4 for more information on the Fund's investment process.

### 3.5. Investment rationale and asset allocation

The Fund will focus on Infrastructure Investments and it is intended that it will make such investments via Sub Entities. The Fund is open-ended, and the Manager will continually attempt to source suitable Infrastructure Investments.

However, Infrastructure Investments will take time to locate, assess and acquire, and therefore it may not always be possible to invest the Fund's available capital into such

investments. Therefore, the Manager will also invest in Cash Investments in anticipation of making future and subsequent Infrastructure Investments. The Manager will aim to invest and maintain the Fund's net assets within the asset allocation ranges outlined in the table below. Please note that these are indicative only and will vary from time to time, particularly over the short term.

Asset type	Ranges
Infrastructure Investments	0 – 100 percent
Cash Investments	0 – 10 percent*

\* Until the Fund makes its first Infrastructure Investment, the Manager may allocate all of the Fund's net assets to Cash Investments. For subsequent Infrastructure Investments, the Manager may invest up to 50 percent of the Fund's net assets to Cash Investments for a period of up to 6 months before investing in the relevant Infrastructure Investment.

### 3.6. Wholesale investors only

This Offer is restricted to wholesale investors. You may qualify to invest in the Fund in one of the following ways:

- a. You are a professional investor (as this term is defined in the Act);
- b. You invest at least \$500,000 into the Fund;
- c. You meet the minimum asset (\$2.5 million of net assets) or income (\$250,000 of gross income for the last two financial years) requirements set out in the Act; or
- d. You otherwise satisfy us you are not a "retail client" for the purposes of Chapter 7 of the Act.

### 3.7. Units

There will be only one class of Units in the Fund.

### 3.8. Unit prices

The application price and withdrawal price of Units will be calculated monthly:

- a. in accordance with the terms of the Constitution;
- b. based on the Fund's operational net asset value; and
- c. may include a Spread.

The application price will be calculated at the time we issue the Units to you. Please contact the Trustee for the last application price.

If the Trustee accepts a withdrawal request, the withdrawal price will be calculated at the time the withdrawal request has been accepted.

### 3.9. Issue of Units

Subject to the following paragraphs, Units are generally issued on the last Business Day of each month, after both the Application Form and Application Money have been received and accepted by the Registrar on behalf of the Trustee and the Trustee (or Registrar on behalf of the Trustee) has entered the Investor on the Register.

The cut-off time for receipt by the Registrar of both the Application Form and Application Money is 5:00pm (Sydney time) five Business Days before the last Business Day of each month.

Completed applications received after the cut-off time above will be taken to have been received in respect of the next date on which Units are issued.

Without limiting the Trustee's discretion to reject an Investor's application, if the Trustee does not receive the Application Money in cleared funds by the cut-off time above or is not satisfied that it has received all of the relevant information required to process the Application Form, the Trustee may reject a prospective Investor's application.

### 3.10. Minimum investment amount

The minimum investment amount is \$500,000 (or such lower amount as we accept at our discretion).

Following the minimum initial investment, Investors may invest additional funds in the Fund at our discretion.

### 3.11. Distributions

As an Investor, you are entitled to receive income generated by the Fund's assets. It is intended that income distributions will be paid Quarterly. They will be paid into your nominated bank account within 10 Business Days after the end of the Quarter in which the distribution was declared, except for the month of June where any distributions in that month will be paid within three months of 30 June.

### 3.12. Withdrawals

The Fund will not offer regular liquidity. An Investor has no right to withdraw their investment in the Fund, and the Trustee has no obligation to offer or permit withdrawals of investments from the Fund.

If an Investor wishes to withdraw their investment from the Fund, then they can submit a withdrawal request, which the Trustee can decide to accept or reject in its absolute discretion. The Trustee can decide to accept all or only part of a withdrawal request. If the Trustee accepts only part of a withdrawal request, then the remainder of the withdrawal request will be rejected and Investors will need to submit a further withdrawal request for any rejected withdrawal requests.

In addition and from time to time, the Trustee may make a withdrawal offer to all or some of the Investors in the Fund. The making of a withdrawal offer by the Trustee is not promised or guaranteed and is entirely at the discretion of the Trustee. If the Trustee does make a withdrawal offer, it is intended that such offer will be made to Investors in order of their time of investment in the Fund, with redemptions to be processed on the same basis. The making of any withdrawal offer, the terms of the offer, and the process for accepting withdrawal requests are at the discretion of the Trustee.

Where a withdrawal request or offer has been accepted (in whole or in part), Units will be redeemed at the withdrawal price and the withdrawal proceeds will be paid within 21 days of the date of redemption, unless the Trustee has exercised its discretion to suspend payment of the proceeds of redemption in accordance with the Constitution.

### 3.13. Transfer of Units

There will not be any established secondary market for the sale of Units. If you want to sell your Units, we may endeavour to assist you; however, any transfer of Units is not guaranteed and remains at our absolute discretion.



4

Investment

INVESTMENT PROCESS

process

Generally, the Fund's Infrastructure Investments will be selected using the following process:



Through this process, the Manager will consider various investment criteria, including (without limitation):

- a. Overall economic conditions;
- b. Gearing levels;
- c. Details of the Infrastructure Investment to be acquired (size, location, cost and risk allocation);
- d. Security ranking; and
- e. Investment term.

Notwithstanding the above process and criteria and given the changing nature of the Australian infrastructure sector, the investment criteria above and their exact levels under which the Trustee will consider prior to investing is dynamic, but importantly always be in accordance with the Fund's investment return objective and investment strategy.

It is intended that the Fund will own a portfolio of Infrastructure Investments. Over time, as the Fund acquires or sells Infrastructure Investments in accordance with the investment strategy, the specific assets comprising the Fund's investment portfolio will change.

For information on the Fund's current investment portfolio, please contact the Trustee.





# RISK

Like any investment, there are risks associated with investing in the Fund. There are a number of risk factors that could affect the performance of the Fund and the repayment of an Investor's capital. Many risk factors fall outside of the Trustee's control and cannot be completely mitigated.

The following is a non-exhaustive list of the main risks associated with investing in the Fund. Investors should consider and weigh them up carefully and make their own assessment as to whether they are comfortable with them. Investors should also consider the risks relating to an investment in the Fund, as disclosed in all Supplements.

Distributions are not guaranteed and neither is the return of Investors' capital.

## 5.1. Infrastructure Investment risks

It is intended that the Fund will invest in Infrastructure Investments via Sub Entities. The risks in this section are considered in this context.

### Infrastructure asset risk

Each Infrastructure Investment involves unique underlying businesses, such as solar farms or wind farms and the Fund is therefore exposed to the risks of operating these businesses.

In addition, Infrastructure Investments may also include greenfield projects, which involve development and construction risks. If the development and/or construction of a greenfield project is delayed or does not proceed for any reason, then there is a risk the Fund will not recover any investment made in that project.

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

### Gearing risk

The Sub Entities in which the Fund invests will be geared investments. Gearing will magnify the effect of any movements in the value of those investments.

A breach of a debt facility covenant by a Sub Entity may also result in a debt financier enforcing its security over the relevant assets of the Sub Entity. The financier may require repayment of the facility, possibly prior to its expected expiry. This could result in an early sale of an infrastructure asset by the Sub Entity at a less than optimal sale price (for instance, in a depressed market), additional equity being required, or distributions being reduced or suspended to repay the borrowings.

If the borrowings are refinanced, the terms (including fees and the interest rate margin payable) may be less favourable than those applying to the prevailing borrowings.

### Debt facilities and interest rate risk

There is a risk that when a Sub Entity extends, refinances or seeks a new debt facility or interest rate hedge that the Sub Entity will only be able to do so on less favourable terms than an existing debt facility or interest rate hedge. There is also a risk that interest rates may rise.

These risks may have a materially impact on the Fund's net assets and/or amounts available for distribution by the Fund.

### Disaster and insurance risk

The performance of the Fund is linked to the Sub Entities, whose performance may be adversely affected where losses are incurred due to uninsurable risks, uninsured risks or under-insured risks. Further, any failure by an insurer or re-insurer may adversely affect the ability of a Sub Entity to make claims under an insurance policy. The Trustee will aim to procure the Sub Entities to maintain all appropriate insurance coverage against liability to third parties and damage to Infrastructure Investments in the usual course of business. However, insurance against certain risks, such as earthquake, cyclone, acts of terrorism and force majeure events may be unavailable, available in amounts that are less than the full market value or subject to a large deduction or excess. Further, there can be no assurance that particular risks are insurable, or will continue to be insurable, on an economically feasible basis. The cost of uninsured losses may adversely affect a Sub Entity and therefore, the Fund's performance.

## 5.2. Cash Investment risks

### Credit risk

The value of assets within the Fund can change due to changes in the credit quality of the individual credit issuer and also from changes in the values of other similar securities. This can affect the volatility of the Fund and its income. Cash Investments are subject to default risk, which means that the credit issuer may default on interest payments, the repayment of capital or both. Cash Investments with a non-investment grade credit issuer (that is, for Standard & Poor's or Fitch, less than a BBB- rating; and for Moody's, less than a Baa3 rating) are subject to increased risks compared with investment grade credit issuers, in that the credit issuer may be more likely to default on interest payments, the repayment of capital or both.

## 5.3. General Fund risks

### Return risk

The success of the Fund is dependent on the Trustee identifying suitable Infrastructure Investments for the Fund. There is a risk that returns may be lower than expected if sufficient Infrastructure Investments cannot be identified and the Fund holds Cash Investments, for an extended period of time.

### Fund and Trustee risk

There are certain inherent risks in any collective investment such as a managed fund. Investing in the Fund may result in a different outcome to investing directly because of the application of tax laws, income or capital gains accrued in the Fund, fees and expenses associated with the Fund, the impact of investments into and redemptions from the Fund by other Investors and the possibility that the Fund may be terminated.

Investing in the Fund also means that an Investor is delegating their control over some investment decisions to the Trustee and indirectly to any other managers of Sub Entities.

How the Fund performs depends on the performance of each of those managers (including the Trustee) and may also be impacted by the performance of external service providers. In addition, the Fund's performance could be affected by the Trustee being replaced or changes in the Trustee's key personnel. There is also a risk that the Trustee's authorisations under the relevant AFS Licences may be suspended or revoked, which could have an adverse impact on the Fund's performance.

### Market risk

Investment returns from the Fund are affected by general market conditions and may decline over short or extended periods due to market sentiment, economic (such as equity and credit cycles and interest rate movements), technological, legal, social and/or political factors. None of these conditions are within the Trustee's control and no assurances can be given that such factors will be anticipated.

### Regulatory risk

The Fund's operations may be negatively impacted by changes to government policies, regulations and taxation laws.

**Limited track record risk**

The Fund is a newly established managed investment scheme and has no track record or past performance. However, the Manager's investment team brings over 50 years of collective experience in infrastructure and funds management.

**Concentration risk**

It is intended the Fund will focus on Infrastructure Investments. Investors should be aware of the risk of concentrating on similar or correlated assets. Concentration risk means that, should a particular asset class be adversely impacted, other highly correlated asset classes run a greater risk that they will also be affected.

**Liquidity and withdrawal risk**

You do not have a right to withdraw your investment in the Fund nor do you have a right to require us to repurchase your investment. In addition, there will not be any established secondary market for Units. However, Investors may submit a withdrawal request to the Trustee (which may be accepted or rejected by the Trustee at its absolute discretion), or Investors may be able to transfer their Units to another person, subject to the approval of the Trustee at its absolute discretion.

Additionally, abnormal or difficult market conditions may cause some assets that would normally be liquid to become illiquid which may restrict our ability to sell these assets and to make withdrawal payments to Investors without significant delay.

**Sub Entity risk**

The Fund may invest in Sub Entities, which may be managed by the Trustee, its related body corporate or associate, or a third party.

There is a risk the manager of a Sub Entity in which the Fund invests or its investment strategy will not achieve its performance objectives or produce returns that compare favourably against its peers, which may result in lower returns or a capital loss for the Fund.

**Taxation risk**

Changes to tax law and policy (including any changes in relation to how the income of the Fund is taxed, the deductibility of expenses or stamp duty law) might adversely impact the Fund and your returns and may necessitate a change to the Fund's structure to ensure Investor interests are protected. You should obtain independent tax advice in respect of an investment in the Fund.

**Stamp duty risk**

In certain circumstances, stamp duty may apply to your dealings in the Fund, such as transfers, issues or withdrawals of Units. Accordingly, before dealing with your Units or acquiring further Units in the Fund you should consider whether the dealing/acquisition may give rise to stamp duty consequences under the provisions of any Australian State or Territory in which the Fund holds property (directly or indirectly) at the time. You should also be aware there is a possibility withdrawals may have stamp duty consequences for the Fund and the remaining Investors.

### **Co-investment risk**

In certain instances, the Fund may invest in investments alongside financial, strategic or other co-investors (including, potentially, one or more of the Trustee's affiliates). There is a risk that co-investors may have economic or business interests or objectives that are inconsistent with those of the Fund or may be in a position to take actions contrary to the Fund's investment objectives, which may detrimentally affect the Fund.

### **Interest rate risk**

Changes to interest rates can have a direct and indirect impact (negative or positive) on returns. Any income return on your investment is not guaranteed and could fall. This could happen due to factors such as the deterioration of the financial position or credit rating of a financial institution or ADI in which a deposit is held, negative fluctuations in the Australian and overseas interest rates, market illiquidity, adverse movements of exchange rates, negative changes in monetary policy and other economic, social and political factors.

### **Derivative risk**

Sub Entities in which the Fund invests may use derivatives. Risks particular to derivatives include the risk that the value of a derivative may not move in line with the underlying asset and the risk that a particular derivative may be difficult or costly to trade.

### **Documentation risk**

There is a risk that a problem in relevant documentation could, in certain circumstances, adversely affect the return on an investment. The Trustee will manage this risk by using qualified solicitors with professional indemnity cover to prepare documentation.

### **Investment pipeline risk**

The Fund will hold higher levels of Cash Investments in circumstances where it is unable to identify suitable Infrastructure Investments for the Fund. The increased exposure to these asset classes will change the risk profile of the Fund and may adversely affect the Fund's returns and Unit price.

### **Foreign Investment Review Board risk**

The Fund may be required to obtain approval in relation to the making of an Infrastructure Investment pursuant to the Foreign Acquisitions and Takeovers Act 1975 (Cth). If required, there is no guarantee that any such approval would be obtained.

### **Significant Investor Visa risk**

It is intended that an investment in the Fund will be capable of complying with the Old SIV Regime. There is a risk that investments in the Fund will not comply with the Old SIV Regime. Investors should consider their own circumstances in relation to this risk, and consider obtaining independent advice in relation to the risk.



6

Fees  
AND COST  
Cost

## 6.1. Fees, costs and expenses

Type of fee or cost	Who the fee is payable to	Amount of fee and how and when paid
Trustee fee	Payable by the Fund to the Trustee	The Trustee is entitled to a trustee of 0.10 percent per annum of the gross asset value of the Fund. This fee accrues and is payable within 10 Business Days of the each of each Quarter.
Trustee removal fee	Payable by the Fund to the Trustee	<p>The Trustee is entitled to be paid a removal fee if the Trustee must retire or is replaced as the trustee of the Fund for reasons other than negligence or breach of trust, or if the Manager is removed under the Investment Management Agreement for reasons other than the Manager's negligence or wilful default. The removal fee is the higher of:</p> <ol style="list-style-type: none"> <li>\$400,000; or</li> <li>an amount equal to four times the annual Trustee fee for the previous 12 months calculated as at date the Trustee ceases to be the trustee of the Fund.</li> </ol>
Management fee	Payable by the Fund to the Manager	The Trustee is entitled to a management fee of 0.40 percent per annum of the gross asset value of the Fund. This fee accrues and is payable within 10 Business Days of the end of each Quarter.
Manager removal fee	Payable by the Fund to the Manager	<p>The Manager is entitled to be paid a removal fee if the Manager must retire or is replaced as the manager of the Fund for reasons other than negligence or wilful breach of the Investment Management Agreement. The removal fee is the higher of:</p> <ol style="list-style-type: none"> <li>\$1,600,000; or</li> <li>an amount equal to four times the annual Management fee for the previous 12 months calculated as at date the Manager ceases to be the manager of the Fund.</li> </ol>
Administrator removal fee	Payable by the Fund to the Administrator	<p>If the Administrator is terminated as the administrator of the Fund for any reason, the Administrator is entitled to:</p> <ol style="list-style-type: none"> <li>\$20,000 if the termination occurs within 1 year of the Administrator's appointment as the administrator of the Fund (Appointment Date); or</li> <li>\$10,000 if the termination occurs after 1 year of the Appointment Date and before 2 years before the Appointment Date.</li> </ol>

Type of fee or cost	Who the fee is payable to	Amount of fee and how and when paid
Expenses and other costs	Payable by the Fund directly, or reimbursed to the Trustee	<p>The Trustee is entitled to be reimbursed for certain expenses in managing and administering the Fund, such as the costs associated with the administration or distribution of income, the Administrator's fee, the Registrar's fee, marketing fees, legal fees, fees to other service providers and other expenses properly incurred in connection with performing their duties and obligations in the operation of the Fund.</p> <p>These costs and expenses will be an expense of the Fund and must be paid for out of the assets of the Fund.</p>

## 6.2. Goods and services tax

Unless otherwise stated, all fees quoted in this IM are quoted exclusive of GST. The Fund may not be entitled to claim a full input tax credit in all instances.

## 6.3. Fees and expenses may be payable in Units

The Trustee or the Manager may elect to have an amount of money due in respect of fees or reimbursement of expenses paid to the Trustee or the Manager (respectively) in Units rather than cash. If so, the relevant number of Units will be issued to the Trustee or the Manager at the prevailing application price.

## 6.4. Waiver, deferral or rebate of Fees and expenses

The Trustee may, in its absolute discretion, accept lower fees and expenses than it is entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid. In addition, the Trustee may waive, negotiate or rebate their fees.



# Taxation

## TAXATION

The Trustee does not provide financial, tax or stamp duty advice, and we have not obtained taxation advice specific to the Offer the subject of this IM. As such, this IM cannot address all of the taxation issues which may be relevant to the Investor. The Investor must take full and sole responsibility for their investment in the Fund, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of that investment.

Before investing in the Fund, you should obtain your own independent tax advice, which takes into account your own circumstances. In particular, you should seek advice on income tax and interest withholding tax liabilities arising out of the investment.



Additional  
ADDITIONAL INFORMATION  
information

## 8.1. Constitution

The Constitution is the primary document governing the relationship between the Investors and the Trustee. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each.

Subject to the Constitution, as an Investor you have the following rights:

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

The Constitution contains provisions about convening and conducting meetings of Investors.

The Trustee can amend the Constitution without Investors' approval.

A copy of the Constitution is available free of charge by calling the Trustee on (02) 9264 9889.

## 8.2. Reporting

Our reporting will comprise the following:

- a. An investment confirmation upon issuing Units;
- b. A periodic performance update report at the discretion of the Trustee; and
- c. A quarterly income distribution statement detailing any investment and distributions paid to you; and
- d. An annual tax statement detailing information required for inclusion in your annual income tax return which will be provided within 90 days of the end of each financial year.

Annual financial reports of the Fund will be made available to Investors by contacting the Trustee on (02) 9264 9889.

## 8.3. Related party transactions

The Trustee may from time to time face conflicts between its duties to the Fund as trustee, its duties to other funds that it manages and its own interests. The Trustee will manage any conflicts in accordance with its compliance policy, the Constitution, ASIC policy and the relevant law.

The Trustee may from time to time enter into transactions with related entities. All transactions will be effected on arm's length market terms and prices (or on terms and at prices more favourable to the Fund than arm's length market terms).

Where the Fund makes an investment via a Sub Entity, which the Trustee, Manager or their related body corporates or associates operate, manage or otherwise provides services to, the Trustee, Manager or their body corporates or associates will receive fees charged at the Sub Entity level.

## 8.4. Transactions with affiliates

The Fund may be offered the opportunity to participate in transactions with the Trustee, its affiliates, or its clients by purchasing investments through the Trustee, or co-investing with the Trustee or its affiliates. The Fund may also invest in entities in which the Trustee or its affiliates hold interests.

In particular, the Fund may purchase investments that have been previously made by the Trustee and that are within the Fund's investment objectives. While any such transactions will be entered into on a basis that the Trustee believe to represent arm's length terms and (where relevant) market rates, the Trustee may have an incentive to seek or refer or recommend such investments to the Fund, or to cause the Fund to pay a higher price for such investments, as a result of the Trustee or its affiliates' financial interests in such investments.

## 8.5. Conflicts with entities in which the Fund invests

Officers, employees or consultants of the Trustee may from time to time serve as directors of entities in which the Fund invests. Such persons may be required to make decisions in that capacity, which are in the best interests of the relevant investee entity. Decisions that may be in the best interests of that entity may not be in the best interests of the Fund or Investors and vice versa. In those circumstances, a conflict of interest will exist between such person's duties to the Trustee and such person's duties as a director of the relevant investee entity. Any such conflicts will be managed by the director in accordance with their obligations at law (which may involve the director excluding themselves from participating in any meeting and/or voting on relevant resolutions).

## 8.6. Change of trustee

A change of trustee for the Fund requires Investors to pass an extraordinary resolution to give effect to the replacement. An extraordinary resolution must be passed by at least 75 percent of the total votes that may be cast by Investors entitled to vote (including Investors who are not present in person or by proxy).

## 8.7. Conflicting Investor interests

Investors may have conflicting investment tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of acquisitions and disposals of the Fund's assets.

Conflicts may arise in connection with decisions made by the Trustee regarding an investment that may be more beneficial to one Investor than another, especially with respect to tax matters or the potential to provide co investment opportunities, as described above. In structuring, acquiring and disposing of investments the Trustee may consider the investment and tax objectives of the Fund and its Investors as a whole, not the investment, tax, or other objectives of any Investor individually.

## 8.8. Third party referral fees

The Trustee may pay an introductory fee or commission rebate to a party that has referred you to the Fund and/or arranging for you to invest in the Fund. Such fees and rebates are negotiated between that third party and the Trustee. Please ask your advisors for details of the payments (if any) that they will receive from the Trustee.

## 8.9. Privacy

We collect personal information about you from your Application Form. We use this information primarily so we can verify your identity and establish your investment in the Fund. We will also collect and may use and disclose your personal information to process your application and manage your investment, comply with our obligations under applicable laws and regulations and improve our products and services.

If you do not provide us with all the personal information we request, then we may be unable to establish and manage your investment in the Fund. The types of organisations to which we may disclose your personal information include external parties which provide services in relation to the Fund (e.g. custodial and registry service providers; providers of printing and postal services; providers of finance, lending or banking services), government authorities and regulators (to the extent required by law); and our professional advisors (including legal and accounting firms, auditors, consultants and other advisors).

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

If you do not provide the Trustee with your contact details and other information, then it may not be able to process your application to invest.

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

By applying to invest, you give the Trustee permission to pass information it holds about you to other companies which are involved in helping it administer the Fund, or where they require it for the purposes of compliance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) or in connection with the holding of Application Money. The Trustee may also use your information to provide you with details of future investment offers made by it.

## 8.10. Anti-money laundering law

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires the Trustee to verify your identity prior to accepting your investment. You will be required to provide the identification information set out in the Application Form. The Trustee will not issue you with Units unless satisfactory identification documents are provided.

## 8.11. Ethical investment, ESG monitoring, stewardship and governance

PAG is committed to responsible investments that will create sustainable, long-term value in close partnership with its investee companies' management team, partners and the broader community. The Fund has been a signatory of the Principles for Responsible Investment (PRI) since January 2020. PAG will regularly monitor its investee companies regarding their performance and continued delivery of economic, environmental, and social benefits.

Further information about PAG's 'Ethical Investment Policy', 'ESG Monitoring' and 'Investment Approach, Investment Stewardship and Internal Governance' can be found on the Providence website.

## 8.12. Foreign Account Tax Compliance Act (FATCA)

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

## 8.13. Common Reporting Standard (CRS)

CRS is the single global standard set by the Organisation for Economic Co-operation and Development for the automatic exchange of information with revenue authorities for non-residents for tax purposes that invest in certain financial accounts. The standard covers both the identification of non-residents for tax purposes and reporting on their applicable financial accounts. We will be a 'Reporting Financial Institution' under CRS and intend to comply with our CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain investors to the ATO or other foreign tax authorities as required. To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable).

## 8.14. No cooling-off period

Investors should note that no cooling off period will apply to applications.

## 8.15. Complaints handling

The Trustee has a system for dealing with any complaints you may have as an Investor. If you have a complaint, then please contact the Trustee on (02) 9264 9889. Complaints will be acknowledged as soon as possible and will be dealt with within 45 days.

## 8.16. Significant Investor Visa

The Australian Government has implemented a visa pathway for migrant investors called the Business Innovation and Investment (Provisional) visa (subclass 188), or more commonly referred to as the Significant Investment Visa. The Significant Investor Visa program provides foreign persons with the opportunity to obtain an Australian visa by investing at least \$5 million over four years in complying Australian investments.

It is intended that an investment in the Fund will be capable of complying with the Old SIV Regime.

# GLOSSARY

Act	Corporations Act 2001 (Cth).
ADI	Authorised Deposit-taking Institution.
Administrator	Mainstream Fund Services Pty Ltd ACN 118 902 891.
AFS Licence	Australian Financial Services Licence.
Application Form	The application form to invest in the Fund.
Application Money	The money paid by an applicant for Units.
APRA	Australian Prudential Regulatory Authority.
ASIC	Australian Securities Investment Commission.
AUD	Australian Dollars.
Banking Act	Banking Act 1959 (Cth).
Business Day	A day on which banks are open for business in Sydney, except a Saturday, Sunday or public holiday.
Cash Investments	Investments in cash held by Australian ADIs, including (without limitation) term deposits.
Constitution	The constitution or trust deed of the Fund, as amended from time to time.
CRS	Common Reporting Standard.
Custodian	Perpetual Corporate Trust Limited ABN 99 000 341 533.
FATCA	Foreign Account Tax Compliance Act.
Fund	Providence Infrastructure Fund.
GST	Goods and services tax.
IM	This information memorandum.
Investor	A person who has acquired, or will acquire, Units.

# GLOSSARY

Investment Management Agreement	The investment management agreement between the Trustee and the Manager, as amended from time to time.
Infrastructure Investments	Investments in: a. developed infrastructure assets; and/or b. greenfield sites and/or assets to be located on greenfield sites upon which infrastructure assets are proposed to be constructed, located in Australia.
Manager	Providence Investment Management Pty Ltd ACN 632 604 129.
Offer	The offer under this IM to invest in the Fund.
Old SIV Regime	means the regime (including the investment requirements) applicable to Investors who lodged a SIV application before 1 July 2015.
PDS	Product Disclosure Statement.
Quarter	means a calendar quarter.
Register	The unit register of the Fund.
Registrar	Mainstream Fund Services Pty Ltd ACN 118 902 891.
Significant Investor Visa or SIV	means the Business Innovation and Investment (Provisional) visa (subclass 188).
Spread	An estimate of the transaction costs that is added or deducted from the Unit price to determine the application or withdrawal price respectively.
Sub Entity	Any entity in which the Fund invests to gain exposure to Infrastructure Investments or Cash Investments.
Supplement	A disclosure document issued by the Trustee that supplements this IM.
Trustee (or we, our or us)	Providence Fund Services Pty Ltd ACN 101 461 090.
Units	A fully paid unit in the Fund.
US	United States.
you or your	Refers to potential or existing Investors.



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## How to invest

Please refer to the Application Form for more information.