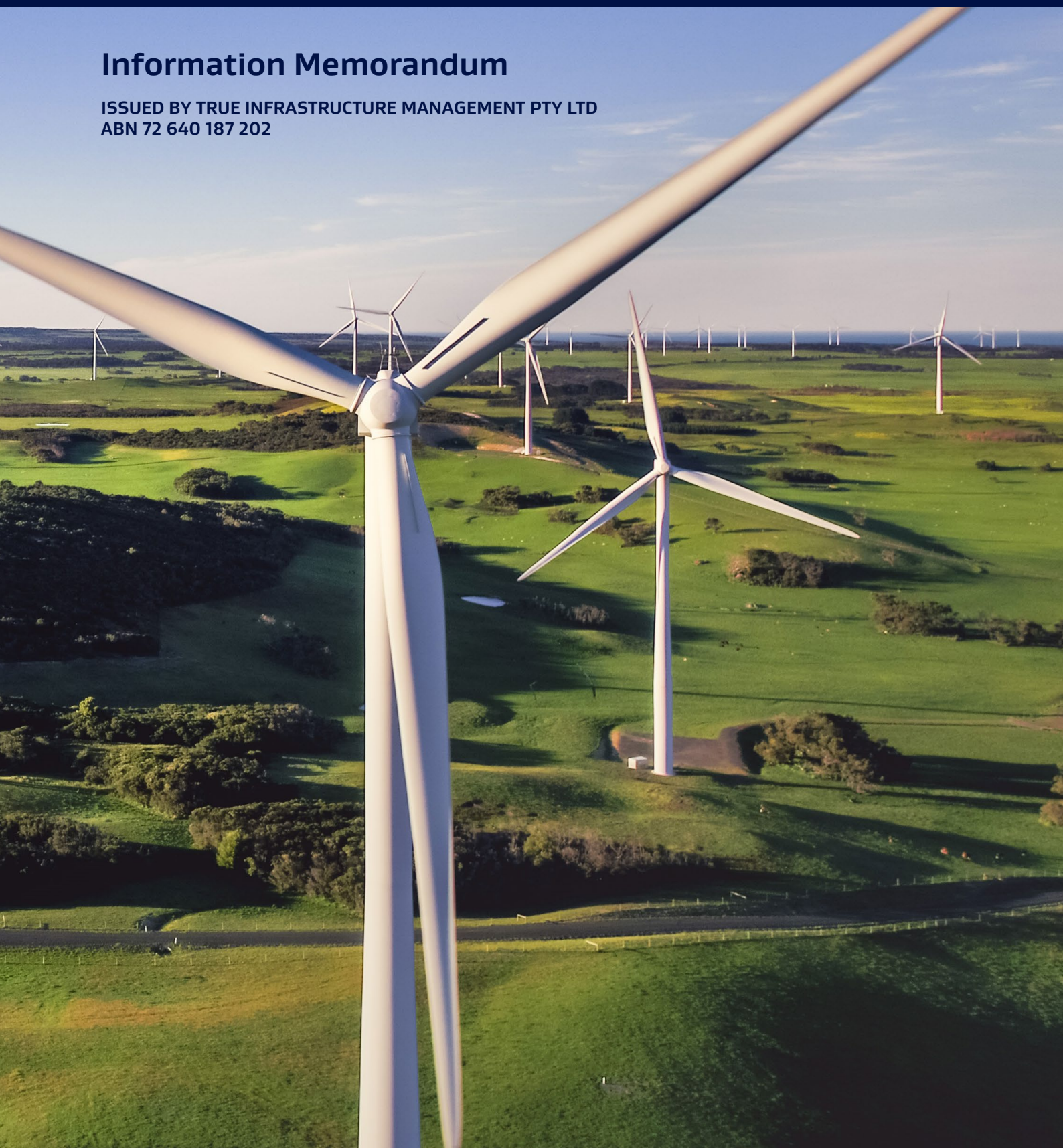


**TRUE**  
**Infrastructure**  
**Fund**



## Information Memorandum

ISSUED BY TRUE INFRASTRUCTURE MANAGEMENT PTY LTD  
ABN 72 640 187 202



# Important Information

This Information Memorandum is dated 11 May 2022 and is issued by TRUE Infrastructure Management Pty Ltd ABN 72 640 187 202 (**TRUE Infrastructure**) as trustee of TRUE Infrastructure Fund (**Fund** or **TRUE Infrastructure Fund**). TRUE Infrastructure holds Australian financial services licence no. 536776.

## Offer under this Information Memorandum

The offer or invitation under this Information Memorandum to apply for units in the Fund is subject to the terms set out in this Information Memorandum. TRUE Infrastructure reserves the right to change these terms. TRUE Infrastructure also reserves the right to withdraw the offer or invitation to apply for units or this Information Memorandum at any time and to reject any application for units, without giving any reason for the rejection. TRUE Infrastructure will not be liable to compensate any investor (or anyone else) for any costs or expenses incurred in reviewing, investigating or analysing any information in relation to the Fund or in applying for units or otherwise.

Any offer or invitation to apply for units or issue of units to a person resulting from this Information Memorandum will only be made to a wholesale client within the meaning of section 761G of the Corporations Act or otherwise if the offer or invitation or issue does not require a product disclosure statement for the units to be given to the person under part 7.9 of the Corporations Act. Any offer or invitation requiring a product disclosure statement will be ineffective.

## Note to investors

The information contained in this Information Memorandum is not financial product advice and does not take into account your particular investment objectives, financial situation or needs. As investors' needs and aspirations differ, you should consider whether investing in the Fund is appropriate for you in light of your particular needs, objectives and financial circumstances. You may also wish to obtain independent advice, particularly about such individual matters as taxation, retirement planning and investment risk tolerance.

Neither TRUE Infrastructure nor any other person guarantees the repayment of your capital, any particular rate of return on income or capital or any other performance of your investment in the Fund. An investment in the Fund is not a deposit with, and does not represent any other liability of, TRUE Infrastructure or any other person. An investment in the Fund is subject to investment risks including loss of principal invested, loss of income and delays in payment of proceeds from redemption of the investment. Some of the risk factors that should be considered by interested investors are set out in section 8. There may be risk factors in addition to these that should be considered by you.

Furthermore, this Information Memorandum does not purport to contain all of the information that may be required to evaluate an investment in the Fund and investors and their advisers should conduct their own independent review, investigations and analysis of the Fund and of the information contained or referred to in this Information Memorandum. Neither TRUE Infrastructure nor any other person makes any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this Information Memorandum or subsequently provided by or on behalf of TRUE Infrastructure including, without limitation, any historical financial information, the estimates and projections, and any other financial information, and nothing contained in this Information Memorandum is, or may be relied upon as, a promise or representation, whether as to the past or the future.

Except insofar as liability under any law cannot be excluded, neither TRUE Infrastructure nor any other person has any liability arising in respect of the information contained in this Information Memorandum or in any other way for errors or omissions in respect of that information.

No person other than TRUE Infrastructure is responsible for the contents of this Information Memorandum and no person other than TRUE Infrastructure is authorised to give any information or to make any representation in connection with an offer or invitation to apply for units that is not contained in this Information Memorandum.

## Forward looking statements and estimates

Any forecast or other projection or forward looking statement or estimate contained in this Information Memorandum may involve significant elements of subjective judgment and assumption as to future events which may or may not be correct, and there are usually differences between forecasts and actual results because events and actual circumstances frequently do not occur as forecast (including due to the risk factors described in section 8) and these differences may be material. Nothing contained in this Information Memorandum is, or may be relied on as, a promise or representation as to a future outcome.

## No unlawful offering outside Australia

The offer or invitation to apply for units under this Information Memorandum is only available to persons receiving or accessing this Information Memorandum in Australia or another jurisdiction in which it is lawful to make such an offer or invitation.

The distribution of this Information Memorandum outside Australia may be restricted by law and persons who come into possession of this Information Memorandum outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the applicable law.

This Information Memorandum does not constitute an offer or invitation in any jurisdiction or place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the units or to otherwise permit an offer of the units outside Australia. In particular, the units have not been and will not be registered under the US Securities Act and may not be offered or sold in the United States of America unless an exemption from the requirements of the US Securities Act and applicable US state securities laws is available.

## Strictly confidential

This Information Memorandum and its contents and any further information which may be supplied in connection with the acquisition of units are strictly confidential to TRUE Infrastructure and must not be disclosed to any other person or used other than for the purpose of evaluating an investment in the Fund.

## Glossary

A number of capitalised terms and abbreviations used in this document are defined in the glossary in section 10. Unless otherwise stated, a monetary reference in this document is a reference to Australian currency.

## Our website

Unless stated otherwise, any references to, or documents included on, TRUE Infrastructure's website ([www.trueinfrastructure.com](http://www.trueinfrastructure.com)) are provided for convenience only and none of the documents or other information on the website are incorporated by reference into this Information Memorandum.

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## Issued by:

**TRUE Infrastructure Management Pty Ltd**  
ABN 72 640 187 202  
holder of AFSL no. 536776

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## **TRUE Infrastructure Fund offers investors:**

- ▶ **An unlisted exposure to a low-volatility, defensive growth sector during a highly volatile period in global markets;**
- ▶ **Access to a portfolio of high-quality infrastructure investments that are traditionally reserved for institutions and super funds;**
- ▶ **The expertise of some of Australia's most experienced and highly regarded sector experts actively managing the fund portfolio; and**
- ▶ **A focus on 'core' and 'super core' infrastructure investments via a fund-of-funds approach.**

# Letter from the Chairman



**Mike Fitzpatrick** Chairman

On behalf of TRUE Infrastructure Management Pty Ltd (**TRUE Infrastructure**), it gives me great pleasure to present this opportunity for Wholesale Investors to invest in TRUE Infrastructure Fund (**Fund**).

This Information Memorandum sets out key details regarding the Fund, TRUE Infrastructure and the Offer. I encourage all potential investors to read this document in full and consider whether an investment in the Fund is appropriate for their individual investment objectives.

Over the four decades I have spent actively involved in the infrastructure funds management sector, I have come to believe that infrastructure investment provides a unique opportunity for investors seeking stable and growing income streams, coupled with low-volatility capital growth over the longer-term.

With recent volatility in global equity and credit markets, I believe that the case for investment in this asset class, as part of an investment portfolio, is stronger now than it has been for a long time. I am pleased to say that I have invested \$10 million in the Fund. This reflects both my belief in the business model and prospects of the Fund, and my commitment to its success.

Consistent with its fund-of-funds structure, the Fund's focus is to establish strong relationships with experienced and well-credentialed fund managers in the infrastructure sector, which we expect will in turn provide investors in the Fund with exposure to a portfolio of high-quality infrastructure assets.

In this regard, the Fund has partnered with two highly respected managers – Infrastructure Capital Group and ATLAS Infrastructure. As a director and major shareholder of Infrastructure Capital Group, I can attest to its near 20-year track record in the sector and I believe that its high-quality asset portfolio and rigorous investment approach provide a strong platform upon which the Fund's portfolio will be based. ATLAS Infrastructure, with its focus on managing portfolios of listed infrastructure stocks globally, has built an enviable reputation for its strong portfolio performance and thorough investment processes. I am excited about our partnership with these organisations, and by the quality of assets and businesses that they will provide.

Over the longer-term, TRUE Infrastructure's highly experienced team and existing relationships should provide a healthy pipeline of new opportunities for partnerships in the sector, and our disciplined management approach should see this pipeline converted into new investments for the Fund.

We have chosen the name 'TRUE Infrastructure' for this new fund for two reasons. First, it is an acronym of the four key sub-sectors in which the Fund will initially focus its investments, and which we believe offer attractive opportunities for investors: Transport, Renewables, Utilities and Energy. Secondly, we believe the word TRUE conveys a sense of discipline, trust and commitment. I can assure you that TRUE Infrastructure intends to bring these values to its role in managing the Fund.

I'm pleased to offer this opportunity to you and look forward to welcoming you as an investor in the Fund.

A handwritten signature in black ink, appearing to read 'Mike Fitzpatrick', written in a cursive style.

**Mike Fitzpatrick**  
Chairman, TRUE Infrastructure Management Pty Ltd



# 1 About the Offer

## 1.1. Details of the Offer

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TRUE Infrastructure is inviting Eligible Investors to apply for units in TRUE Infrastructure Fund at an issue price based on the prevailing Unit Value at the time of issue<sup>1</sup> (**Offer**).

The Offer is open ended, and there is no minimum amount required to be raised by the Fund nor maximum amount that can be raised. However, TRUE Infrastructure reserves the right to withdraw the Offer, not accept any application for units and refund all application money. No interest will be paid on any application money refunded.

### ELIGIBLE INVESTORS

The Offer is open only to Wholesale Investors i.e. a wholesale client within the meaning of section 761G of the Corporations Act or any other person to whom a product disclosure statement for the units does not need to be given under part 7.9 of the Corporations Act when an offer or invitation to apply for units or an issue of units is made to the person.

### HOW TO APPLY

Eligible Investors wishing to apply for units in the Fund may do so by completing the application form accompanying this Information Memorandum, and sending the completed form, and paying the amount to be invested in cleared funds, to TRUE Infrastructure, in accordance with instructions set out on the form. If an additional application form is required, please contact TRUE Infrastructure's Registry Provider by phone on 1300 046 609 or email at [trueinfrastructure@boardroomlimited.com.au](mailto:trueinfrastructure@boardroomlimited.com.au). An application form can also be downloaded from TRUE Infrastructure's website at [www.trueinfrastructure.com](http://www.trueinfrastructure.com).

Alternatively, Eligible Investors may apply for units in the Fund by completing the online application form accessible via TRUE Infrastructure's website at [www.trueinfrastructure.com](http://www.trueinfrastructure.com).

### MINIMUM/MAXIMUM APPLICATIONS

The minimum initial application size for an investment is \$20,000.

Applications by existing unit holders for additional investments may be made subject to a minimum application size for each additional investment of \$10,000.

There is no maximum application size.

## 1.2. About TRUE Infrastructure Fund

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### INVESTMENT OBJECTIVES

The Fund's objectives are to provide unit holders with stable and growing cash returns and long-term capital growth through an investment in infrastructure funds, which in turn are expected to provide unit holders with exposure to high quality infrastructure assets and businesses.

The Fund will target, over the longer-term, a total annual return to unit holders (comprising both cash returns and capital growth) of 8% (inclusive of a gross yield of 4%). This target return is after all fees and expenses of the Fund are paid, but prior to unit holders' tax expense.

(1) TRUE Infrastructure has the discretion to adjust the issue price up or down by up to 1% or \$0.01.

## 1.2. About TRUE Infrastructure Fund continued

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### INVESTMENT FOCUS

The Fund will operate as a fund-of-funds, meaning that it will invest the proceeds of the Offer into managed funds in the sector, rather than directly into underlying operating assets or businesses. TRUE Infrastructure believes that the fund-of-funds model provides investors with the opportunity to gain exposure to 'best in class' underlying portfolios, achieve immediate portfolio diversification, and also potentially mitigate risk through exposure to a range of management approaches and philosophies.

The Fund intends to take a highly focused and disciplined approach to sub-sector allocations within infrastructure. TRUE Infrastructure believes that the interests of investors in the Fund are best served by having the assets of the Fund primarily invested across four key sub-sectors: Transport, Renewables, Utilities and Energy.

### INITIAL PORTFOLIO

TRUE Infrastructure intends to invest the proceeds of the Offer initially in up to four underlying funds. Three of these funds, Energy Infrastructure Trust (**EIT**), Diversified Infrastructure Trust (**DIT**) and Australian Renewables Income Fund (**ARIF**) are managed by Infrastructure Capital Group (**ICG**). The fourth fund, ATLAS Global Infrastructure Fund (**AGIF**) is managed by ATLAS Infrastructure (**ATLAS**).

The opportunity to invest in these underlying funds reflects TRUE Infrastructure's extensive and deep relationships with prominent fund managers in the sector. The selection of these funds as the initial underlying investments of the Fund is the result of a rigorous review of investment opportunities and assessment of potential underlying fund managers and asset portfolios.

The existing funds managed by ICG in which the Fund has invested or intends to invest (EIT, DIT and ARIF) are currently invested in a number of Australian infrastructure businesses. TRUE Infrastructure believes that these businesses align directly with the target asset exposure of the Fund and provide an appropriate mix of risk and return characteristics for investors in the Fund.

## 1.3. About the trustee/manager

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### TRUE INFRASTRUCTURE MANAGEMENT PTY LTD

TRUE Infrastructure is a specialist infrastructure funds management company whose key focus is the effective administration and management of the Fund on behalf of unit holders. The Directors and executives of TRUE Infrastructure collectively have many decades of experience in the infrastructure sector, with a particular focus on infrastructure funds management.

### MANAGEMENT APPROACH

TRUE Infrastructure's management approach is built around two key philosophies:

- A **partnership model**, under which TRUE Infrastructure seeks to source, maintain and develop close relationships with key strategic partners within the sector.
- A **portfolio management approach** built around active portfolio construction and review, a clear sector focus and a rigorous and structured investment approval process.

### PORTFOLIO CONSTRUCTION APPROACH

TRUE Infrastructure's primary role with respect to the management of the Fund's portfolio is to ensure that the portfolio is constructed and managed to meet the overriding objectives of the Fund. TRUE Infrastructure will not be actively engaged in the day-to-day management of the assets and businesses held in the underlying funds which comprise the portfolio. Rather, TRUE Infrastructure's core value proposition is to drive unit holder value through rigorous portfolio construction and review, and through key strategic and structural decisions regarding the Fund.



# 2 Infrastructure as an investment

## 2.1. Infrastructure sector characteristics

Infrastructure (and particularly unlisted infrastructure) will generally provide a higher return profile than defensive/low growth asset classes (cash, bonds, fixed income) albeit with a higher degree of volatility/risk, whilst at the same time displaying significantly less volatility and risk than high-growth assets classes such as listed equities.

Infrastructure includes those physical, often large-scale assets that support economic growth and the welfare of a modern society. The assets are often characterised by the five key elements summarised below.

### High Barriers to Entry

High barriers to market entry exist across the sector due to the significant upfront costs associated with asset acquisition or construction. This creates assets with monopolistic features.

### Inelastic Demand

The underlying services provided by many infrastructure assets are relatively resistant to various economic factors. This provides stability of revenue generation within the sector and is a key characteristic of core infrastructure assets.

### Economies of Scale

Assets will generally benefit from economies of scale such that the greater an asset's output or usage, the lower its marginal costs of use. This can be observed, for example, across toll roads and energy assets.

### Long Useful Life

The useful life of assets typically ranges from anywhere between 20 to 100 years (depending on the asset type), with decades of use provided until any material capital expenditure is required for maintenance or refurbishment.

### Real Assets

Real assets are physical assets with intrinsic value born from their substance and characteristics. This provides additional diversification benefits as real assets are typically less correlated with other financial assets (such as equities and fixed income).

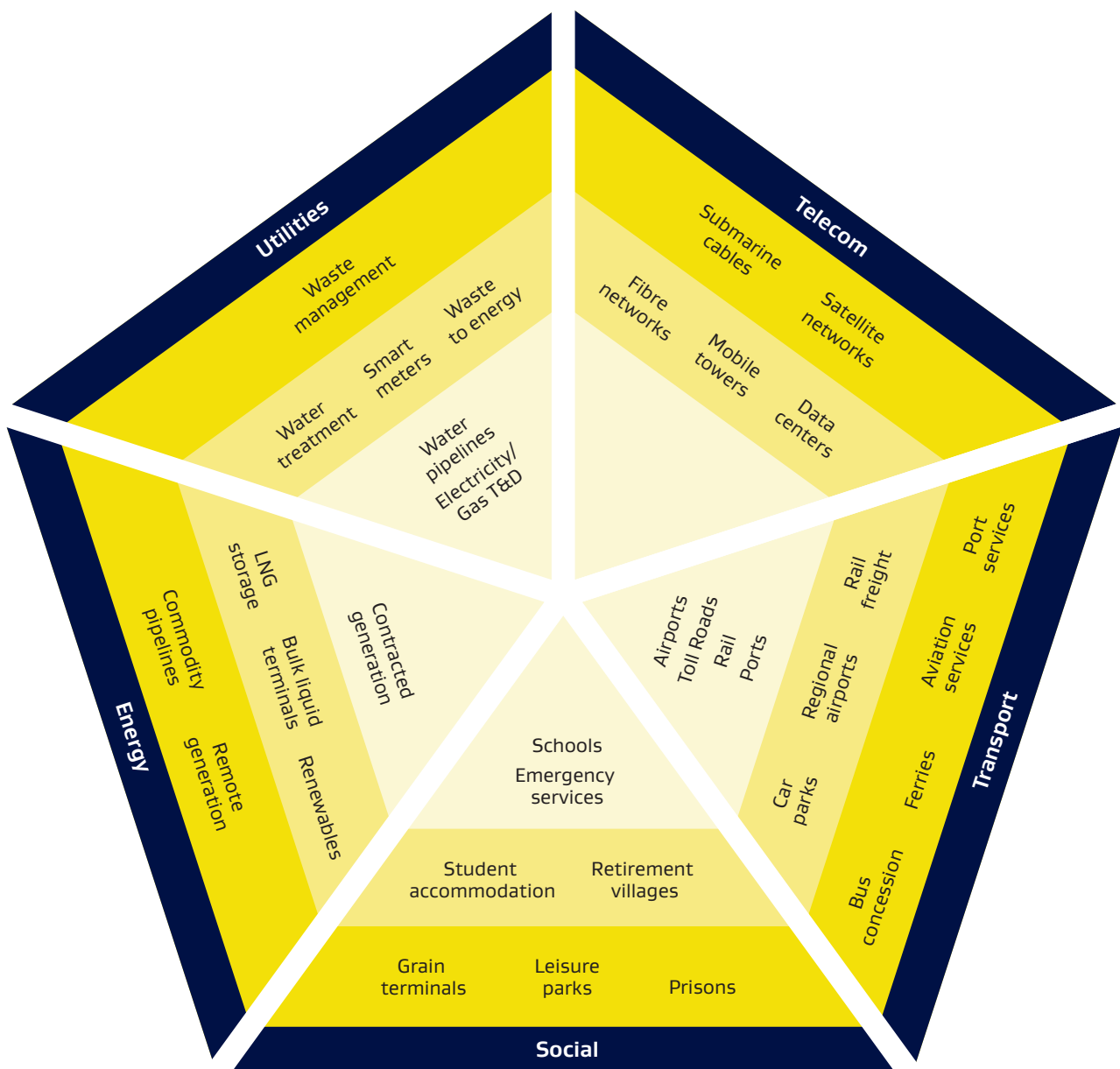
## 2.2. Infrastructure sub-sectors

Infrastructure can generally be divided into two broad categories – economic infrastructure and social infrastructure.

**Economic infrastructure** is defined as those businesses or assets which underpin the performance of the broader economy, are relied upon by governments, businesses and individuals as a key input into economic production, and are necessary to conduct industry, commerce and trade. Utilities, telecommunication, energy and transport are the major economic infrastructure sub-sectors.

**Social infrastructure** is defined as those assets and businesses which are fundamental to the effective functioning of a community or economy, but which do not necessarily make an easily defined contribution to economic output; rather, they are valued for their broader contribution to society.

Examples of specific assets which constitute each infrastructure sub-sector are shown in the diagram below. Asset types closest to the centre of the circle represent 'core' and 'super core' infrastructure assets, with those furthest from the centre being 'core plus' and 'enhanced' infrastructure.



## 2.3. Risk/return segments

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Whilst infrastructure businesses generally share a number of common characteristics, there is a range of risk/return profiles and segments within the broader sector. It is generally accepted that individual infrastructure assets or businesses will fall within one of four risk/return segments:

- **‘Super Core’** infrastructure businesses are characterised by the lowest risk/return profile within the sector, generally by virtue of having regulated or fully contracted revenue streams and little or no correlation with short-term volatility in the economic environment. Power generation businesses subject to long-term ‘take or pay’ contractual arrangements are examples of Super Core infrastructure.
- **‘Core’** infrastructure businesses display a slightly higher risk/return profile than Super Core businesses, but remain generally defensive in nature, often characterised by their monopolistic traits. Businesses within this segment will generally have some degree of correlation to underlying GDP, with examples including major airports and toll roads.
- **‘Core Plus’** infrastructure businesses tend to have a slightly higher risk profile than Core businesses by virtue of either the structure of their industry or the nature of their revenue streams (which may be, for example, underpinned by shorter-term contracts and/or a degree of development risk). Examples may include mid-stream oil and gas projects and telecommunications infrastructure.
- **‘Enhanced’** infrastructure is the highest risk/return segment within the sector and includes those businesses which have some infrastructure-like characteristics but are also subject to other market/demand factors. Examples include businesses in developing markets and/or those with revenue streams subject to a high degree of merchant or market risk (such as uncontracted power generation).

Consistent with each segment within the infrastructure sector having a different risk profile, the returns generally expected to be generated by investment within each segment are different. In the current economic environment, Super Core infrastructure investment opportunities would generally be expected to generate an underlying total annual return (comprising a mix of cash yield and capital growth) in the range of 8% to 10%, whereas Enhanced infrastructure opportunities would generally require a total annual return of 15% or more to justify an investment.

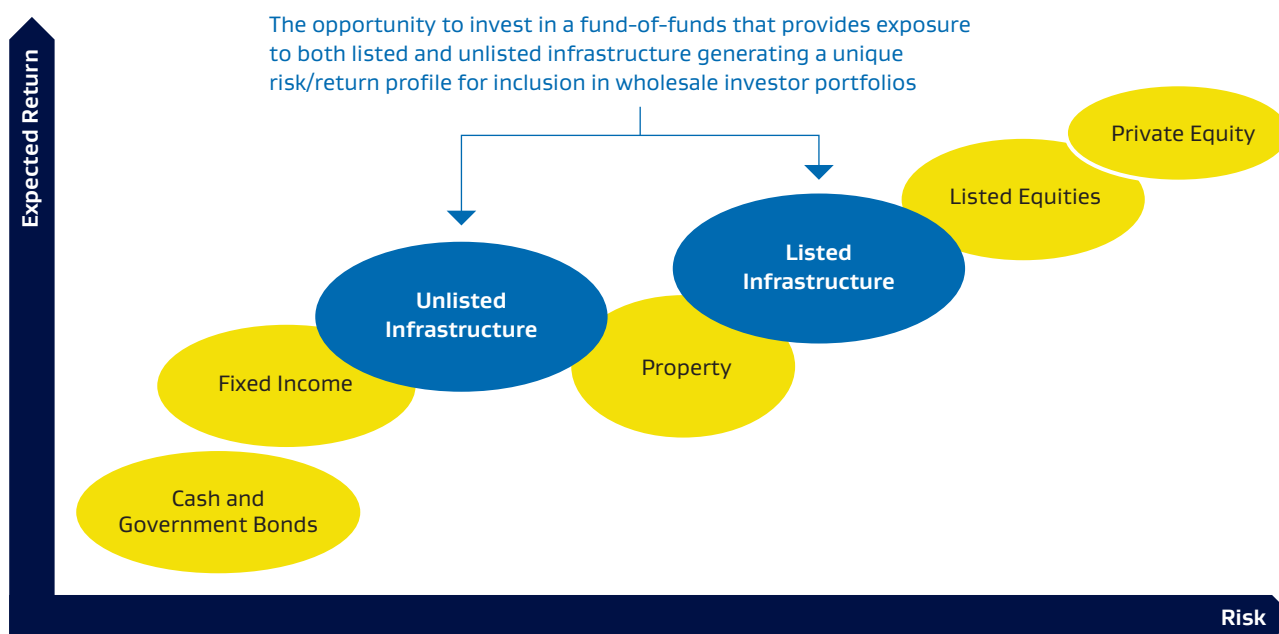
## 2.4. Listed versus unlisted infrastructure

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Whilst the underlying drivers of fundamental value for infrastructure businesses remain the same regardless of whether the businesses are listed on a securities exchange or unlisted, there are two key points of differentiation between listed and unlisted infrastructure as an investment class. Firstly, the value of an unlisted infrastructure business will largely reflect the performance and underlying value of the asset or business. As a consequence, this valuation is likely to be relatively stable over time in the absence of one-off developments or impacts. In contrast, listed infrastructure businesses or assets will be subject to price movements which reflect both changes in underlying value together with changes in investor sentiment, macro-economic developments, movements in the value of other asset classes, or any other factors which may impact on the performance of the overall share market. Consequently, listed infrastructure investments will generally have greater valuation volatility and a higher overall risk/return profile than unlisted infrastructure investments.

The other key point of difference is that direct investment into unlisted infrastructure assets is generally a very illiquid form of investment. It may take a considerable amount of time (potentially weeks or months) to acquire or divest an interest in such a business. In contrast, listed investment opportunities, by their nature, are generally highly liquid and allow investors to acquire or divest interests in a short time frame (generally within days). This liquidity difference further exacerbates the risk/return profile differential between listed and unlisted investments, as short-term imbalances between demand and supply for listed investment securities will generally be reflected in price movements, whereas this will not generally be the case for unlisted investments.

## 2.4. Listed versus unlisted infrastructure continued



## 2.5. Portfolio considerations

Through overlaying a portfolio management approach built around active and rigorous investment selection and review processes, an investment in the infrastructure sector has the potential to enhance overall portfolio performance by providing stable and growing long-term cash flows and mitigating key risks associated with market volatility and inflation.

- **Portfolio diversification:** Low correlation to other asset classes can provide significant diversification benefits within an investor's portfolio. Unlisted assets provide further diversification for wholesale and retail investors (where available) as these assets have historically only been accessed by larger institutional investors.
- **Stable cash flows:** Steady income from contracted revenue of infrastructure businesses can provide investors with a stable yield as well as capital growth due to resilience against business cycles.
- **Inflation protection:** The contracted nature of revenue streams has the potential to provide investors with an indirect hedge to inflation as the various concession and off-take style arrangements are often benchmarked against CPI plus a given margin. This natural inflation hedge is a mitigant against longer-term erosion of portfolio value which often occurs with lower risk asset classes.

By virtue of the unique investment characteristics of the infrastructure sector, TRUE Infrastructure believes that exposure to the sector can form an important element of a balanced investment portfolio.



# 3 About the trustee/manager

## 3.1. TRUE Infrastructure Management Pty Ltd

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TRUE Infrastructure Management Pty Ltd (**TRUE Infrastructure**) is the trustee of the Fund and also acts as its manager, undertaking all aspects of the management of the investments and operations of the Fund.

TRUE Infrastructure is wholly owned by its Directors.

The relationship between TRUE Infrastructure as trustee of the Fund and investors as unit holders is governed by a trust deed dated 5 November 2020, which was amended by supplemental deed dated 6 May 2021 (**Trust Deed**). A summary of the key terms of the Trust Deed is contained in section 9 of this Information Memorandum.

## 3.2. Management approach

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TRUE Infrastructure's management approach is built around two key philosophies:

- A **partnership model** under which TRUE Infrastructure seeks to source, maintain and develop close relationships with key strategic partners within the infrastructure sector. Such strategic partners include the fund managers of the underlying funds in which the Fund is invested. As a result of their backgrounds and experience, the Directors and executives of TRUE Infrastructure have extensive global networks within the sector and are extremely well-placed to develop and maintain new relationships going forward.
- A **portfolio management approach** built around active portfolio construction and review, a clear sector focus and a rigorous and structured investment approval process. This ensures that any new investments will only be made in circumstances where TRUE Infrastructure is confident the investments (both with respect to the fund managers and underlying assets) will meet appropriate risk/return benchmarks and enhance value for unit holders in the Fund.

### 3.3. Key personnel

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The key members of the TRUE Infrastructure Board and executive team who are actively involved in the strategy and management of the Fund are as follows:

<p><b>Mike Fitzpatrick</b> Chairman of the Board</p>	<p>Mr Fitzpatrick is a pioneer in infrastructure funds management, having spent three decades as a leader in the industry. In 1994 he founded Hastings Funds Management Ltd where he was Managing Director until he sold his interest in 2005. Hastings was then one of the largest managers of infrastructure and alternative assets in Australia. Mr Fitzpatrick was responsible for a number of Hastings' investments and managed entities including Pacific Hydro, Global Renewables, Utilities Trust of Australia and Australian Infrastructure Fund.</p> <p>Previously, Mr Fitzpatrick held positions in investment banking with CS First Boston and Merrill Lynch, as well as positions with the Victorian Treasury and Telecom Australia.</p> <p>Mr Fitzpatrick holds a number of other non-executive directorships, including Infrastructure Capital Group, Carnegie Clean Energy Limited and Latam Autos Limited. He is a former chairman of Pacific Current Group Limited, Victorian Funds Management Corporation, the Australian Football League and the Australian Sports Commission, and a former director of Rio Tinto Limited and Rio Tinto plc.</p> <p>Mr Fitzpatrick holds a Bachelor of Engineering with Honours from the University of Western Australia and a Master of Arts from Oxford University where he studied as a Rhodes Scholar for Western Australia.</p>
<p><b>Peter McGregor</b> Executive Director &amp; Chief Executive Officer</p>	<p>Mr McGregor is one of Australia's most experienced infrastructure investment executives with over 30 years' experience in the sector.</p> <p>His previous roles include Partner and Head of Infrastructure &amp; Utilities at Goldman Sachs JBWere, where he advised corporations, governments and institutions on a range of strategic initiatives, mergers &amp; acquisitions and capital markets transactions in the infrastructure and utilities sectors.</p> <p>He was also an executive director and Chief Operating Officer of Australian Infrastructure Fund (AIX), a \$1bn+ ASX-listed fund managed by Hastings Funds Management. During his tenure, AIX achieved an annualised post-fee, pre-tax return to investors in excess of 14%, and was twice voted as having the 'Best Investor Relations for a Mid Cap company in Australia' by the Australian Investor Relations Association.</p> <p>Mr McGregor was also Chief Financial Officer at Asciano Limited, an ASX50 transport infrastructure company, and Managing Director &amp; Head of Institutional Banking, Victoria at the Commonwealth Bank of Australia.</p> <p>He is an experienced company director, currently serving on the boards of Pivotal Systems Corporation and Imricor Medical Devices, Inc. He is a former chairman of the Port of Geelong and a former director of Melbourne, Gold Coast, Darwin and Townsville airports.</p>
<p><b>Miriam Patterson</b> Non-Executive Director</p>	<p>Ms Patterson is a highly experienced funds management executive in the infrastructure and broader real assets sectors. She has expertise in the origination, management and marketing of retail investment funds within these sectors.</p> <p>Ms Patterson's current role is Fund Manager, Charter Hall Direct at the leading funds management organisation Charter Hall Group. Ms Patterson has funds management responsibilities for the entire Charter Hall retail product platform comprising over \$6bn in assets under management. She is specifically responsible for fund strategy, acquisitions, divestments, capital structure, oversight of asset management including budgets and capital expenditure as well as reporting to the responsible entity for the funds and to investors.</p> <p>Prior to joining Charter Hall, Ms Patterson was Head of Real Assets at Telstra Super. In this capacity, she led the \$4bn Telstra Super Real Estate and Infrastructure investment program. Ms Patterson was responsible for driving strategy, portfolio monitoring, optimising performance, sourcing transactions and reporting to the investment committee and the board.</p> <p>Before joining Telstra Super, Ms Patterson worked at Hastings Funds Management and Ernst &amp; Young.</p>

### 3.3. Key personnel continued

<p><b>Tessa Nye</b> Chief Operating Officer</p>	<p>Ms Nye is an investment management professional with significant experience in the infrastructure funds management sector.</p> <p>In her previous role as Investment Director at Hastings Funds Management she worked across both listed and unlisted infrastructure funds, supporting all aspects of funds management and administration as well as asset acquisitions/divestments and asset management. Whilst at Hastings, she held various alternate director positions on investee company boards.</p> <p>Ms Nye was also an Associate in investment banking at Merrill Lynch, providing advisory services to corporate clients in relation to IPOs, mergers &amp; acquisitions and corporate finance transactions. She also worked at WestLB in London in various roles including proprietary trading risk management. Ms Nye holds a Bachelor of Laws and is a Chartered Financial Analyst (CFA) Charterholder.</p>
<p><b>Tom Crantock</b> Portfolio Analyst</p>	<p>Mr Crantock is an experienced portfolio analyst with a history in corporate finance and debt capital markets.</p> <p>His previous role was within KPMG’s debt advisory team providing debt capital markets, debt raising/refinancing and capital advisory services. This included assisting clients in accessing traditional senior debt, mezzanine finance, hybrids and structured finance solutions. Mr Crantock’s experience includes assisting various clients across the Australian corporate and financial services sectors.</p> <p>Mr Crantock is additionally an Australian lawyer, having been admitted in 2018.</p>
<p><b>Daniela Scarpa</b> Financial Controller</p>	<p>Ms Scarpa is a qualified chartered accountant with exposure to a wide range of finance environments from start-up companies to ASX listed companies in Australia and overseas.</p> <p>She has developed a broad skillset including driving process improvement projects, budgeting, forecasting, business planning, management and statutory compliance reporting. Global international experience was gained in UK, USA and Europe.</p> <p>Ms Scarpa commenced her career as an auditor at KMPG Australia and PWC London. She has spent over 12 years working with Spotless Group, a listed company providing integrated facility services, commencing as a corporate accountant then leading the Finance Hospitality team. She has recently been involved in the establishment of smaller start-up companies utilising her wide range of skills.</p>

### 3.4. Portfolio construction approach

TRUE Infrastructure’s primary role with respect to the management of the Fund is to ensure that the portfolio is constructed and managed to meet the over-riding objectives of the Fund. TRUE Infrastructure will not be actively engaged in the day-to-day management of the assets and businesses held in the underlying funds which comprise the portfolio. Rather, TRUE Infrastructure’s core value proposition is driving unit holder value through active portfolio construction and review, primarily in the four key areas described below.

#### SUB-SECTOR FOCUS

TRUE Infrastructure believes that the sub-sectors upon which the Fund will focus its investment portfolio – Transport, Renewables, Utilities and Energy – provide the optimum balance of returns and risk for unit holders. Individual weightings of specific sub-sectors within this focus group will be actively reviewed over the longer term.

Whilst the Fund may elect to invest part of its portfolio in funds with exposure to assets outside the sub-sector focus, this will only occur where the target fund and underlying assets display the genuine characteristics of infrastructure. TRUE Infrastructure will be disciplined in avoiding the risk of ‘scope creep’ whereby assets or industries related or adjacent to the infrastructure sector, but not displaying genuine ‘infrastructure characteristics’ are classified as infrastructure for the purpose of facilitating an investment.

### 3.4. Portfolio construction approach continued

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#### DIVERSIFICATION

Diversification is a key element of risk mitigation in respect of portfolio construction and allocations. TRUE Infrastructure will focus on striking the appropriate balance between skewing the portfolio towards those individual assets expected to generate the most attractive returns and balancing the portfolio from a risk perspective. This includes targeting an appropriate level of diversification with respect to:

- industry sectors, given that macro trends will tend to drive a high correlation in returns of all assets within a particular asset class;
- geography, given that regulatory, legislative, economic and climate may impact all assets with a particular geography regardless of industry; and
- maturity, or life cycle, given that the risk and return profile of infrastructure assets will evolve as they move through the greenfields/planning, construction, ramp-up and mature phases.

#### ESG CONSIDERATIONS

TRUE Infrastructure is committed to being a responsible manager of assets and investments from an Environmental, Social and Governance (ESG) perspective. Whilst TRUE Infrastructure's core objectives are to generate stable and growing cash returns and longer-term capital growth for investors, it is committed to doing so in a responsible manner. TRUE Infrastructure does not believe that optimising returns and complying with key ESG objectives are mutually exclusive, but rather that adopting ESG principles has the potential to enhance the longer-term return profile of an asset or portfolio as these characteristics are increasingly inscribed an explicit value by investors.

ESG considerations form a key element of the assessment process undertaken by TRUE Infrastructure when considering any new manager, fund or underlying asset for inclusion in the portfolio. Whilst at any point in time the Fund's portfolio may include individual assets which have characteristics that do not comply with ESG best practice in one or more regards, these factors will be considered and actively reviewed to ensure an appropriate overall portfolio balance.

TRUE Infrastructure recognises that ESG risks increasingly dominate the global risk landscape and that ESG issues have the potential to significantly impact investment returns. As a result, an ESG policy has been adopted that integrates the recognition of these issues into the investment process.

TRUE Infrastructure is a signatory to the United Nations backed Principles for Responsible Investment.

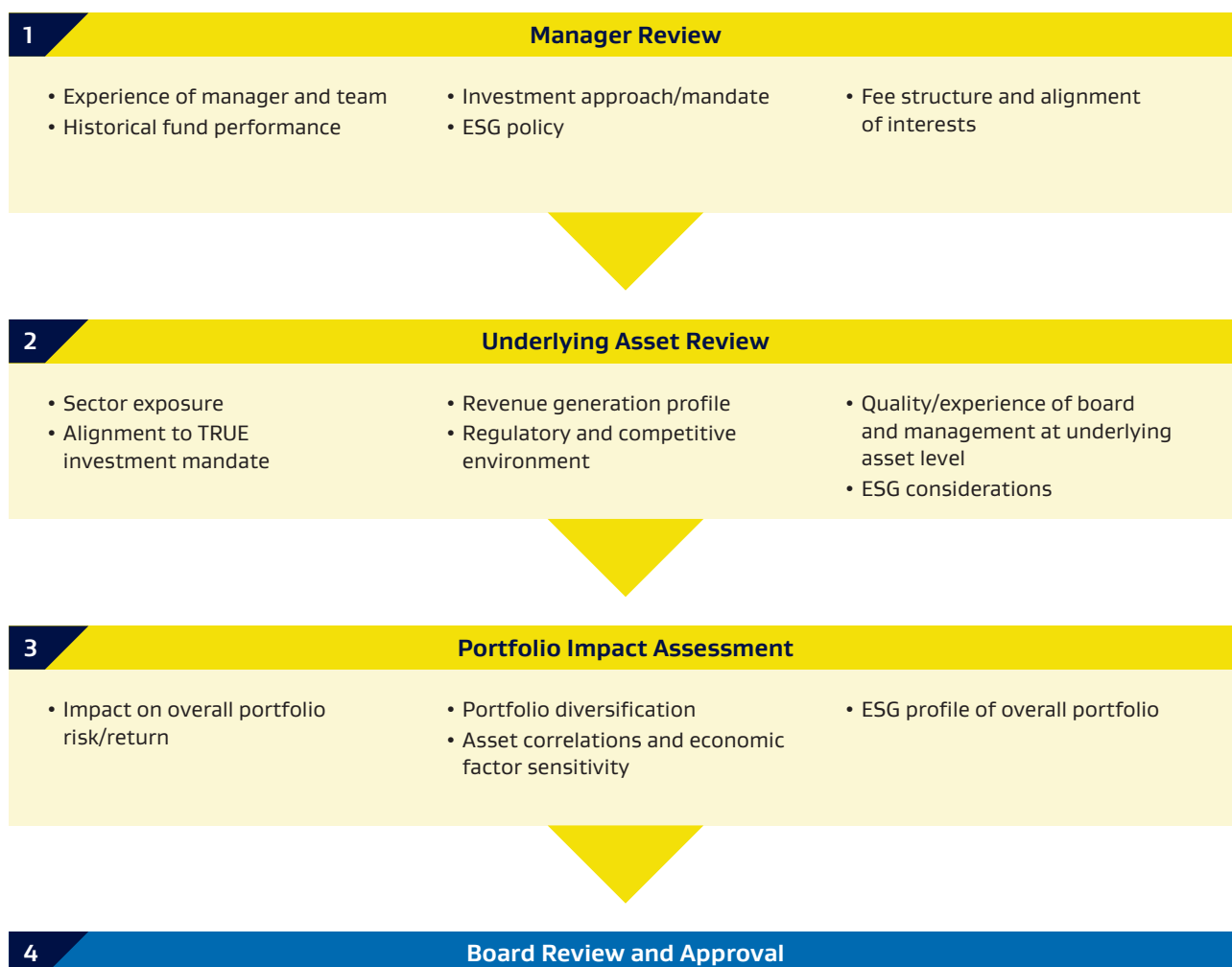
#### CAPITAL MANAGEMENT

TRUE Infrastructure believes that there is significant scope to enhance the returns from the portfolio through rigorous management of the Fund's resources and capital. TRUE Infrastructure will focus on optimising the Fund's cash balance, weighing up the benefits of having cash reserves available (inherent risk mitigation and flexibility) against the drawbacks (dilution of portfolio returns). Similarly, TRUE Infrastructure will actively review the proportion of the Fund's assets invested in unlisted operating businesses versus the proportion invested in listed infrastructure entities given the inherent differences in volatility and return profiles. It will also seek to optimise the relative exposures to ordinary equity, quasi-equity, hybrid and debt given the differing risk and return profiles.

TRUE Infrastructure will maintain enhanced liquidity within the Fund through its investment allocation to AGIF which provides exposure to listed infrastructure securities. The AGIF investment allocation allows TRUE Infrastructure to engage in effective liquidity management to ensure it can execute strategic investment decisions and meet investor redemptions (if required).

### 3.5. Investment approval process

TRUE Infrastructure has developed a structured four-stage process for assessing and approving any new investments by the Fund. This process is illustrated below.



### 3.6. Fees and expenses

TRUE Infrastructure will be entitled to receive certain fees and recover certain expenses associated with its role as trustee of the Fund. These are summarised below.

<b>Base Fee</b>	<ul style="list-style-type: none"><li>• TRUE Infrastructure is entitled to a fee for its role in managing and administering the Fund, including acting in its capacity as trustee for the Fund.</li><li>• This fee is calculated as 0.45% per annum of the value of the gross assets of the Fund, accrued and calculated daily and paid monthly in arrears<sup>2</sup>.</li></ul>
<b>Expense Recovery</b>	<ul style="list-style-type: none"><li>• TRUE Infrastructure is entitled to recover expenses incurred in connection with the Fund, including its establishment, ongoing management or winding up of the Fund.</li><li>• TRUE Infrastructure will not be entitled to recover any salaries or bonuses payable to its own employees or expenses for its own office accommodation or secretarial or accounting services.</li><li>• This expense recovery is expected to represent 0.10% to 0.15% of the gross asset value of the Fund on an annual basis over the longer term.</li></ul>
<b>Performance Fee</b>	<ul style="list-style-type: none"><li>• TRUE Infrastructure is entitled to a performance fee calculated as 15% of the outperformance of the Fund against the benchmark return.</li><li>• The benchmark return is based on movements in CPI plus a margin of 4% (for a 12 month period).</li><li>• Any underperformance of the Fund against the benchmark return in a year is carried forward and offset against future performance fees of the Fund for the following two years.</li><li>• This fee is accrued and calculated monthly and paid annually in arrears<sup>3</sup>.</li></ul>
<b>Termination Fee</b>	<ul style="list-style-type: none"><li>• Under the Trust Deed, there are certain circumstances in which the trustee of the Fund can be removed from office or in which the Fund can be terminated.</li><li>• In the event of removal or termination, TRUE Infrastructure will be entitled to all accrued base and performance fees up to the date of termination, plus a termination fee equivalent to 6 months' of base fees calculated with respect to the gross asset value of the Fund at the time of removal or commencement of wind-up.</li></ul>

The underlying funds in which the Fund invests will also pay fees to their respective managers. This will comprise base management fees and may also include, in certain circumstances, success or performance fees. Whilst these fees are paid directly by the underlying funds, with the Fund receiving its returns net of fees, they effectively represent additional fees of the Fund on a look-through basis.

### 3.7. Investment guidelines

TRUE Infrastructure has elected not to adopt firm policies with respect to limits on specific categories of investment, sectors, or types of securities eligible to be held by the Fund. Underlying investment opportunities for the Fund tend to be relatively illiquid and new investments/divestments may take a period of time to complete. Consequently, TRUE Infrastructure believes that it is appropriate for the Fund to retain some short-term flexibility in respect of specific limits.

However, over the longer-term TRUE Infrastructure will aim to ensure that the Fund's portfolio is balanced and diverse, resulting in an appropriate risk/return profile, subject to the following investment guidelines:

- at least 80% of the value of the assets of the Fund which are invested into underlying assets (via underlying funds) to be invested in the core sub-sectors of Transport, Renewables, Utilities and Energy;
- at least 80% of the value of the assets of the Fund which are invested into underlying assets (via underlying funds) to be invested in equity or equity-linked securities (including ordinary shares, preference shares and convertible notes/hybrid securities with equity-like characteristics and risk/return profiles);
- at least 70% of the value of the assets of the Fund to be invested in underlying businesses or assets whose operations are primarily in Australia;
- no more than 20% of the value of the assets of the Fund which are invested into underlying assets (via underlying funds) to be invested in greenfield or development projects; and
- no more than 20% of the value of the assets of the Fund to be held in cash or cash equivalents.

(2) The Trust Deed allows the Trustee to charge a base fee of up to 1.25% per annum of the gross asset value of the Fund.

(3) Further detail about the determination of the performance fee is set out in the Trust Deed.

### 3.8. Distribution policy

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The Fund intends to make semi-annual cash distributions of income (if any) to unit holders in respect of the six-month periods ending 30 June and 31 December each year (each a **Distribution Period**). Payment of distributions is expected to be made within 30 days of the end of each Distribution Period.

TRUE Infrastructure presently intends to distribute 100% of the distributable income of the Fund for each Financial Year subject to cash flow availability.

Unit holders will have the opportunity to participate in a distribution reinvestment plan under which unit holders may elect to receive their distributions in the form of additional units in the Fund. Under the plan, the cash distribution that participating unit holders would have received will be applied to pay for additional units issued to them at an issue price based on the prevailing Unit Value less a discount (if any) notified to unit holders at least 10 days before payment of the distribution. The prevailing Unit Value will be based on the Net Asset Value of the Fund at the time of issue of the units.

### 3.9. Redemption policy

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TRUE Infrastructure believes that investors' best interests will be served by committing to invest in the Fund for the longer term. This reflects the fundamental nature of the infrastructure sector and the underlying assets and businesses in which the Fund will be invested. Furthermore, investors should note that the majority of the assets of the Fund, both with respect to the direct interests in units of the underlying funds in which the Fund invests, and also the underlying operating businesses and assets, will be illiquid in nature and will not be able to be readily converted to cash in a short period of time. As a consequence, liquidity with respect to redeeming units in the Fund will be limited.

All units issued under the Offer will be issued subject to a 'lock up' period expiring 31 December 2022, during which redemptions are not permitted. This will allow TRUE Infrastructure to effectively deploy the funds raised under the Offer in an orderly and managed fashion.

Following the lock up period, limited redemptions will be permitted during each calendar quarter (i.e. the three months ending 31 March, 30 June, 30 September and 31 December). For redemption requests received during a quarter, total redemptions will be capped at 2.5% of the total units on issue. In the event that redemption requests exceed this cap, redemptions will be processed on a partial, pro-rata basis. There will be no carrying forward of unsatisfied redemption requests to subsequent redemption windows.

TRUE Infrastructure may, at its absolute discretion, elect to temporarily increase or remove this redemption cap for any particular quarter.

TRUE Infrastructure expects that all redemptions will be processed within 30 days of the end of each quarter. The redemption price for units redeemed will be the Unit Value at the date of redemption less any applicable transaction charge<sup>4</sup>.

(4) TRUE Infrastructure has the discretion to adjust the redemption price up or down by up to 1% or \$0.01.

### 3.10. Gearing policy

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Gearing is represented by the total borrowings and/or other financial accommodation of the Fund as a percentage of the gross asset value of the Fund. Over the longer-term, it is intended that the Fund will be 'ungeared' with no core or long-term debt on its balance sheet.

However, there may be occasions where borrowing is in the interests of unit holders, particularly for the purposes of bridge-funding of new acquisition opportunities or the funding of unit holder redemptions. This is particularly the case during the early stages of the Fund.

Consequently, there is no borrowing limit until \$200 million of capital has been raised through the issue of units in the Fund. After the Fund has raised that amount of capital, TRUE Infrastructure may secure short-term debt funding on behalf of the Fund with the intention that any amount would be fully repaid within 12 months from draw down, and where the maximum borrowings at any time will be the lesser of: (a) the total of the Fund's liquid investments (cash, cash equivalents and/or investments in ATLAS); and (b) 20% of the gross asset value of the Fund (plus any uncalled amounts on the units).

### 3.11. Valuations and reporting

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The Fund will be valued in accordance with TRUE Infrastructure's valuations policy and the Trust Deed.

Unit Value at any time will be determined as the Net Asset Value at that time divided by the total number of units in the Fund on issue at that time (subject to adjustment to take account of any partly paid units on issue). Net Asset Value is the value of the gross assets of the Fund less the accrued expenses and other liabilities of the Fund at that time determined in accordance with the Trust Deed.

Net Asset Value and Unit Value will be determined as at the end of each month and will be published on the Fund's website within 10 business days of the end of the month. Net Asset Value and Unit Value may also be determined at any time during a month at TRUE Infrastructure's discretion.

TRUE Infrastructure will provide a quarterly update to unit holders following the end of each quarter. This will include details of the performance of the underlying funds together with the Net Asset Value and quarterly performance statistics for the Fund.

Financial statements for the 6 month period ending 31 December (half-year) and 12 month period ending 30 June (full-year) will be prepared and available to unit holders within 60 days of the end of each period.



# 4 About TRUE Infrastructure Fund

## 4.1. Key features of the Fund

Term	Detail
<b>Investment objectives</b>	To provide investors with stable and growing cash returns and long-term capital growth through investment in infrastructure sector funds.
<b>Structure</b>	Unlisted unit trust (initially unregistered).
<b>Target investors</b>	Sophisticated investors and other non-institutional wholesale clients.
<b>Investment portfolio asset allocation (initial)</b>	Fund-of-funds investment in: <ul style="list-style-type: none"> <li>• the unlisted infrastructure funds of ICG               <ul style="list-style-type: none"> <li>– ARIF – Australian Renewable Income Fund</li> <li>– EIT – Energy Infrastructure Trust</li> <li>– DIT – Diversified Infrastructure Trust</li> </ul> </li> <li>• AGIF – ATLAS Global Infrastructure Fund (global listed equities portfolio).</li> </ul>
<b>Trustee/Manager</b>	TRUE Infrastructure Management Pty Ltd ABN 72 640 187 202.
<b>Term</b>	Open ended <sup>5</sup> .
<b>Manager-related commitment</b>	\$10 million.
<b>Return objective</b>	Total annual return of 8.0% (after fees), inclusive of a gross yield of 4.0%.
<b>Distribution policy</b>	The Trustee intends to distribute 100% of the net income for a Financial Year, subject to cash flow availability.
<b>Distributions</b>	<p>Half yearly for the six months ending on 30 June and 31 December. Distribution entitlements are based on unit holdings at the end of the relevant six month period. This means that units issued as a result of applications lodged during the months of June or December will not be entitled to receive the distribution for the six month period ending at the end of those months.</p> <p>Option to participate in a distribution reinvestment plan (<b>DRP</b>) based on the prevailing Unit Value less a discount (if any) determined by the Trustee.</p>

(5) The Fund will be open-ended subject to the rule against perpetuities.

## 4.1. Key features of the Fund continued

Term	Detail
<b>Applications for new units</b>	Calendar monthly application windows will apply i.e. applications received during a month will be processed and units applied for under the accepted applications will be issued shortly after the end of the month, at an issue price based on the prevailing Unit Value at the time of issue (which generally will be based on Net Asset Value determined at the end of the month before issue) <sup>6</sup> .
<b>Redemption lock-up</b>	Until 31 December 2022.
<b>Redemption of units</b>	<p>After expiry of lock-up period, investors may submit a request for redemption of units at any time, with the requests received during a calendar quarter (the three months ending March, June, September or December) (a redemption request window) processed at the end of that quarter. Redemption Price set at the prevailing Unit Value less any applicable transaction charge<sup>7</sup>.</p> <p>The Trustee has approximately 50 days from the end of the redemption request window to satisfy redemption requests.</p> <p>Subject to quarterly cap of 2.5% of total units on issue or such higher cap as the Trustee determines from time to time depending on the Fund's liquidity.</p> <p>Where redemption requests received during a redemption request window exceed the cap, the Trustee will scale back on a pro rata basis.</p>
<b>Gearing</b>	<p>Intention that the Fund over the longer-term will be 'ungeared' with no core or long-term debt.</p> <p>However, there is no borrowing limit until \$200 million of capital has been raised through the issue of units in the Fund. After the Fund has raised that amount of capital, the Trustee may secure short-term debt to assist with liquidity with the intention that it would be fully repaid within 12 months and subject to maximum borrowings at any time being the lesser of the total of the Fund's liquid investments (cash, cash equivalents and/or investments in ATLAS) and 20% of the gross asset value of the Fund (plus any uncalled amounts on the units).</p>
<b>Termination</b>	Trust may be terminated by the Trustee giving notice of termination to investors at any time or after 7 years by investors holding 75% of the units.
<b>Base management fee</b>	0.45% p.a. of gross asset value accrued and calculated daily and paid monthly in arrears <sup>8</sup> .
<b>Estimated expense recovery</b>	0.10% – 0.15% p.a. of gross asset value over the longer term.
<b>Performance fee</b>	15.0% of the outperformance of the Fund against the benchmark return over 12 months, accrued and calculated monthly and paid annually in arrears. Any underperformance of the Fund against the benchmark return in a year is carried forward and offset against future performance fees of the Fund for the following two years <sup>9</sup> .
<b>Performance fee benchmark</b>	CPI plus a margin of 4.0% (for a 12 month period).

(6) TRUE Infrastructure has the discretion to adjust the issue price up or down by up to 1% or \$0.01.

(7) TRUE Infrastructure has the discretion to adjust the redemption price based on Unit Value up or down by up to 1% or \$0.01.

(8) The Trust Deed allows the Trustee to charge a base fee of up to 1.25% per annum of the gross asset value of the Fund.

(9) Further detail about the determination of the performance fee is set out in the Trust Deed.



# 5 Investment focus

## **FUND OF FUNDS MODEL**

The Fund will operate as a fund-of-funds, meaning that it will invest the proceeds of the Offer into managed funds in the sector, rather than directly into underlying operating assets or businesses. TRUE Infrastructure believes that the fund-of-funds model provides investors with an opportunity to gain exposure to 'best in class' underlying portfolios, whilst also potentially mitigating risk through a portfolio management approach that incorporates a range of active portfolio construction and review approaches and philosophies.

## **FOCUS ON MID-MARKET OPPORTUNITIES**

The Fund intends to focus the bulk of its available investment funds on opportunities which can be characterised as 'mid-market' opportunities. This can broadly be defined as assets or a business with an enterprise value in the range of \$100 million to \$1 billion.

This focus reflects TRUE Infrastructure's observation that the global infrastructure investment industry has undergone a fundamental shift over the past 20 years. This shift has been characterised by the emergence of a number of very large managers in the sector with considerable funds under management.

At the same time, there has been a significant globalisation of the infrastructure funds management industry, with the larger Australian funds seeking investment opportunities offshore, and the major global funds seeking investment opportunities in Australia.

The combination of these changing dynamics has seen a substantial increase in competition for larger infrastructure assets which become available (through new projects, privatisations or divestments), as these larger funds seek exposure of sufficient size to impact on their overall returns. This increased competition has, in turn, manifested itself in the pricing and valuation outcomes applying to larger assets in the sector.

Whilst the higher prices paid for larger assets within the sector can clearly be justified by the acquirers, they have resulted in a significant 'pricing multiple gap' between these larger assets and smaller mid-market assets which are not subject to such intense competitive pressures when they become available.

Furthermore, larger asset sales within the sector are almost always undertaken by way of a structured auction process designed to maximise competitive tension. TRUE Infrastructure believes that substantially more opportunities exist for attractive mid-market investments to be acquired by way of direct negotiation than is the case for larger infrastructure assets, again providing potentially attractive opportunities.

## FOCUS ON KEY SUB-SECTORS

The Fund intends to take a highly focused and disciplined approach to sub-sector allocations. TRUE Infrastructure proposes to focus the bulk of the portfolio over the longer term on economic infrastructure opportunities but may consider specific social infrastructure opportunities on a case-by-case basis.

TRUE Infrastructure believes that the interests of investors in the Fund are best served by having the assets of the Fund primarily invested across four key sub-sectors, being:



TRUE Infrastructure believes that these sub-sectors best reflect the risk and return characteristics which make infrastructure inherently attractive as an investment opportunity.

The Fund may, from time to time, invest a relatively small proportion of its funds into other infrastructure sub-sectors, but only in cases where the business and operating fundamentals, and the risk/return profiles, are consistent with the key sub-sectors outlined above. Other sub-sectors which the Fund may consider investing in include, but are not limited to:

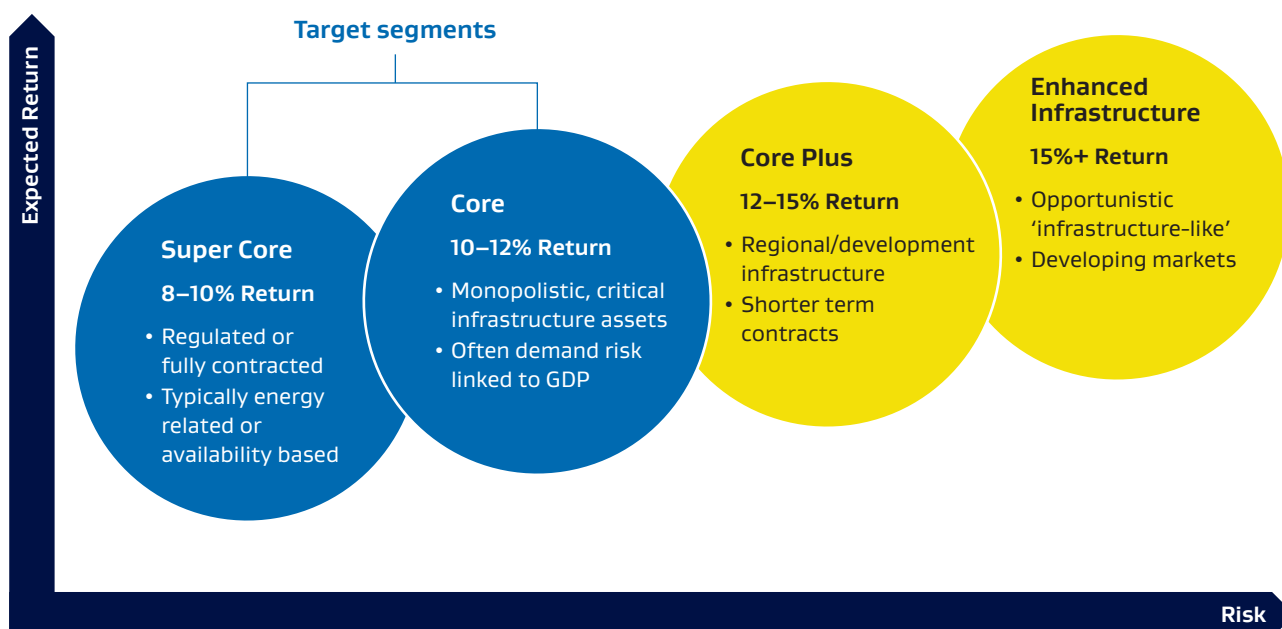
- Telecommunications infrastructure (networks, towers, etc.)
- Social infrastructure (schools, universities, hospitals, stadia, etc.)
- Agricultural infrastructure (storage facilities, port and rail terminals, etc.)

## FOCUS ON 'CORE' AND 'SUPER CORE' RISK/RETURN SEGMENTS

Within the broader infrastructure sector, investment opportunities can be categorised as fitting within one of four risk/return segments. These are Super Core infrastructure, Core infrastructure, Core Plus infrastructure and Enhanced infrastructure.

TRUE Infrastructure's strategy is to focus the bulk of the portfolio on Super Core and Core investment opportunities. That is, to focus on those sectors which display the most defensive and lowest-risk characteristics. Primarily, this reflects a bias towards businesses with revenue streams which are highly contracted or regulated, and/or which have monopolistic characteristics and strong market positions. These businesses would generally not be subject to high degrees of volatility in response to short-term changes in the underlying economic or operating environment. The portfolios of EIT, DIT and ARIF are consistent with this risk/return segment focus.

TRUE Infrastructure believes that this focus is an important element in ensuring that the Fund provides an opportunity for investors to diversify their investment portfolios through exposure to the sector, as these segments have a unique risk/return profile which cannot be replicated through exposure to other asset classes. For example, a focus on Enhanced infrastructure opportunities would potentially increase the return profile of the Fund, but at the same time would diminish the diversity advantages of the portfolio relative to a broader unlisted equity or private equity portfolio.



## LISTED PORTFOLIO COMPONENT

TRUE Infrastructure believes that it is appropriate and desirable that a proportion of the assets of the Fund be invested in a portfolio of listed infrastructure entities, with this portfolio being individually managed, or invested in a pooled fund managed, by a suitably qualified and experienced manager.

TRUE Infrastructure has selected ATLAS as the preferred manager of this component of the portfolio and intends to invest a portion of the capital raised under the Offer in the ATLAS Global Infrastructure Fund (**AGIF**).

The inclusion of a listed securities component in the overall portfolio of the Fund serves two key purposes by providing:

- Additional diversity, particularly through access to broader geographies outside Australia, thereby mitigating risk factors which may impact on the investment environment in Australia, whilst also potentially providing exposure to higher-growth economies and industries.
- Additional liquidity, an important aspect given that the bulk of the investments of the Fund will be in illiquid underlying funds and assets which may take considerable time to realise and/or reach their full potential. This additional liquidity will assist TRUE Infrastructure in managing the Fund, particularly in circumstances where liquidity is required to meet redemptions, fund distributions or new acquisition opportunities.

As a further benefit, having the listed portfolio component allows the Fund the opportunity to earn a competitive return on funds awaiting deployment into illiquid investment opportunities.

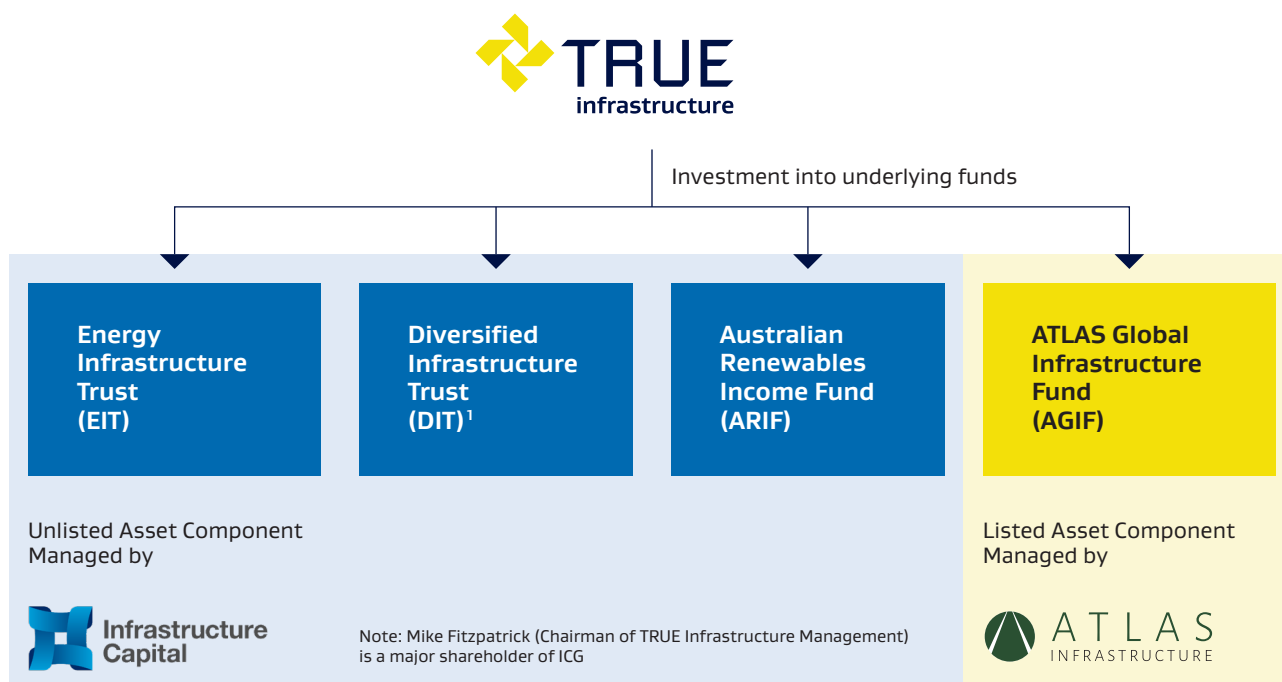


# 6 The initial portfolio

The information in this section and elsewhere in this Information Memorandum about Infrastructure Capital Group or ATLAS or their respective managed funds has been prepared by TRUE Infrastructure based on information provided or published by or on behalf of Infrastructure Capital Group or ATLAS, including information from their websites or other publicly available information as at the date of this Information Memorandum, and has not been independently verified. Accordingly, TRUE Infrastructure does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. Further, the information about Infrastructure Capital Group or ATLAS or their respective managed funds in this Information Memorandum should not be considered comprehensive.

## 6.1. Initial underlying funds





TRUE Infrastructure intends to invest the proceeds of the Offer initially in up to four underlying funds. Three of these funds (EIT, DIT and ARIF) are managed by ICG. The fourth fund, AGIF, is managed by ATLAS Infrastructure.



(1) The Fund does not intend to invest in DIT during the initial 12 months of the Fund's operation due to capital capacity constraints and the GDP-linked asset exposures within DIT.

## 6.1. Initial underlying funds continued

Brief details of each fund are as follows:

Fund Structures	Diversified Infrastructure Trust (DIT)	Energy Infrastructure Trust (EIT)	Australian Renewable Income Fund (ARIF)	ATLAS Global Infrastructure Fund (AGIF)
Investment manager	 Infrastructure Capital	 Infrastructure Capital	 Infrastructure Capital	 ATLAS INFRASTRUCTURE
Underlying asset type	Unlisted	Unlisted	Unlisted	Listed
Sub-sector focus	Diversified	Contracted energy & utilities	Renewable energy	Various
Exposure	Mid-market Value-orientated Aligned to GDP growth	Mid-market Income-orientated Predominantly contracted Downside protected	Mid-market Income-orientated Predominantly contracted	High quality infrastructure companies listed on developed market global exchanges

## 6.2. About Infrastructure Capital Group (ICG)

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### BACKGROUND

Infrastructure Capital Group Limited (**ICG**) is an Australian incorporated unlisted public company. ICG is a wholly owned subsidiary of Infrastructure Capital Holdings Pty Ltd (**ICH**), a proprietary limited company domiciled in Australia.

ICG is an Australian-based specialist infrastructure investment manager with over \$2.5 billion of equity funds under management and offices in Sydney, Melbourne and Perth. Over the past 19 years ICG has developed a strong track record and reputation as an infrastructure mid-market specialist.

ICG was initially established in 2001 under a joint venture arrangement with Australia and New Zealand Banking Group Limited (**ANZ**). In 2009, ANZ's ownership stake in the business was acquired by ICG's founding director John Clarke and Mike Fitzpatrick (who is also a non-executive director of ICH). In 2016, ICH also acquired the independent trustee of DIT and EIT, ANZ Specialist Asset Management Limited, rebranding it Infrastructure Specialist Asset Management Limited, or 'ISAM'. ISAM has a strong governance culture, with a majority of independent directors on its board.

ICG specialises in the origination and management of equity and debt investments in economic infrastructure. The team's strong specialist capabilities across all infrastructure sub-sectors and asset lifecycles provide a competitive advantage in the origination, execution and management of infrastructure investments which are able to deliver superior long-term, risk-adjusted returns.

ICG offers the full spectrum of funds management services and investment advisory services to institutional investors seeking exposure to direct infrastructure investments, including the management of infrastructure equity funds DIT, EIT and ARIF.

ICG has built a hard to replicate portfolio of quality infrastructure assets across Australia – diversified by sector, counterparty and risk profile. With a national presence across three offices in Melbourne, Sydney and Perth, ICG is uniquely positioned to develop relationships to source and manage high-quality investments for investors.

ICG has approximately 30 staff located across its three offices, including infrastructure specialists from first-tier investment banks and major investors in the infrastructure sector. ICG has recruited investment professionals with diverse backgrounds and multi-sector infrastructure experience. This has allowed the firm to reduce significant key-person risk that may otherwise be present in investment managers. The investment team is supported by a skilled operations team.

### INVESTMENT APPROACH AND PHILOSOPHY

ICG is a 'hands-on' manager with an investment philosophy focused on value 'through the cycle' and sustainable returns.

ICG's experienced and multi-disciplined investment team operates under a robust investment framework with the primary objective of investing in infrastructure assets which are able to deliver compelling long-term, risk-adjusted returns, as demonstrated by high quality and diversified portfolios built since 2001.

ICG's track-record, combined with an extensive network of industry relationships developed over the past 18 years allows it to be best positioned to originate and access high-quality infrastructure investments in Australia. Likewise, ICG's active asset management approach focuses on adding value through effective investment analysis, structuring and operations of an asset or business over the life of the investment.

### 6.3. About ATLAS Infrastructure (ATLAS)

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#### BACKGROUND

ATLAS is a specialist listed infrastructure manager with offices in London and Sydney.

ATLAS was founded in 2016 by former RARE Infrastructure team members Rod Chisholm, David Bentley and David McGregor with the backing of Global Infrastructure Partners (**GIP**), a large institutional global direct infrastructure manager which is one of the preeminent investors in private infrastructure. The equity in parent company ATLAS Infrastructure Holdings is split between its partners and staff (approximately 40%), with the remainder held by the founding partners of GIP (approximately 60%). Despite its short history, ATLAS has a well-developed corporate structure owing to the strong capital support provided by GIP since ATLAS' inception.

ATLAS' objective is to bring to the listed market the same degree of rigor around research and cash flow analysis as is commonly applied to private market investments. The ownership by ATLAS partners and staff of a significant proportion of the firm's equity facilitates alignment of the entire team with the overall objectives of the firm.

ATLAS has one of the largest investment research teams in the infrastructure industry. The team is led by sector specialists who bring many years of experience in their specific field, supported by team members from a range of different disciplines.

ATLAS is a globally oriented firm, and its investment research team has deep expertise in a broad range of sectors and geographies. This breadth serves to reduce portfolio "home bias" and "familiarity bias".

ATLAS has an investment team of approximately 12 professionals based in Sydney and London. The team is comprised of highly experienced infrastructure investors and is supported by a well-qualified trading, compliance and operations team.

#### INVESTMENT APPROACH AND PHILOSOPHY

ATLAS employs a detailed investment approach under which it seeks to invest in companies that exhibit strong infrastructure characteristics, namely long duration, monopoly assets with resilient and predictable cash flows and a level of inflation protection. This is underpinned by a value-orientated methodology under which ATLAS adheres to an active, high conviction and benchmark unaware approach, which is primarily based upon bottom-up fundamental research.

ATLAS has developed an institutional grade operating model which is complimented by leading global service providers and technology. ATLAS' investment universe consists of stocks quoted on developed market global exchanges.

The investment strategy of the ATLAS Global Infrastructure Fund is to invest in a moderately diversified portfolio of global infrastructure equity securities quoted on stock exchanges in developed nations. The portfolio of equities will be issued by, or provide exposure to, global companies that own or operate, under concession, high quality essential infrastructure assets in various sectors, including electric, gas and water utilities, transport, communications and community and social infrastructure. The portfolio companies will be selected from those that ATLAS considers offer the best potential for a combination of capital appreciation and income over the medium to longer term whilst minimising risk of loss to investors.



# 7 Taxation considerations

The following provides a summary of the general tax implications for an investment by an Australian resident individual investor who holds their units on capital account. Each investor's taxation position will depend on their individual circumstances and accordingly this summary is necessarily general in nature.

This summary is based on the taxation laws as at the date of this Information Memorandum. Investing in an unregistered managed investment scheme is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for investors concerned.

Each investor must take full and sole responsibility for the associated taxation implications arising from an investment in the Fund including any change in the taxation implications arising during the term of their investment. It is recommended that investors obtain their own professional and independent taxation advice before investing in the Fund.

## 7.1. Income tax provisions

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### PROVISIONS THAT APPLY

The income tax treatment of the Fund and its investors will depend on whether the Trustee elects, and is eligible, to apply the Attribution Managed Investment Trust (**AMIT**) provisions. The AMIT provisions are an elective income tax regime for qualifying managed investment trusts (**MITs**) that provide for flow-through taxation to investors. Where the AMIT provisions do not apply, the ordinary trust taxation provisions will apply to the Fund.

While the AMIT provisions are not expected to materially change the way in which investors would be taxed (as compared to the ordinary trust taxation provisions), the AMIT provisions are intended to provide more certainty on the application of the income tax provisions to the Fund and its investors, and to allow for accumulation of income should this be required. As noted in this Information Memorandum, the Fund presently intends to distribute 100% of the distributable income of the Fund for the relevant period subject to cash flow availability.

The Trustee intends to make an irrevocable election to apply the AMIT provisions and expects it will qualify for the regime. Accordingly, the section below outlines the income tax treatment where the AMIT provisions will apply to the Fund and its investors. The Trustee will provide an update to investors in the event that the Fund does not qualify for the AMIT provisions.

### CAPITAL ACCOUNT ELECTION FOR MANAGED INVESTMENT TRUSTS

Where the Fund qualifies as a MIT for income tax purposes (regardless of its status as an AMIT), the Trustee will seek to make an election to treat the disposal of covered assets (shares, units and real property) on capital account. This will provide certainty on the tax treatment of disposals of these assets of the Fund in that they will be dealt with under the capital gains tax rules rather than the ordinary income rules.

## 7.2. Income tax (AMIT provisions)

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### INCOME TAX TREATMENT OF THE FUND

Where the AMIT provisions apply to the Fund, the Fund will effectively be treated as a flow-through vehicle for income tax purposes irrespective of whether income or capital is distributed to investors. The Trustee should not be liable to pay Australian income tax on the taxable income derived by the Fund. This is on the condition that the Fund will not be taxed as a company under the public trading trust provisions (discussed below).

### INCOME TAX TREATMENT OF INVESTORS

The AMIT provisions require the taxable income of the Fund to be attributed to investors on a fair and reasonable basis, having regard to their income and capital entitlements. The Trustee will seek to allocate taxable income having regard to the units held by investors, entitlements to income and capital, as well as cash distributions made to such investors during the relevant period. Under the AMIT provisions, an investor may be taxed on their share of the Fund's taxable income prior to receiving distributions from the Fund. As noted in this Information Memorandum, the Fund presently intends to distribute 100% of the distributable income of the Fund for the relevant period subject to cash flow availability.

### TAX DEFERRED DISTRIBUTIONS

Under the AMIT provisions, an investor's cost base in their units is increased where taxable income is allocated to them (inclusive of any tax free component of a discount capital gain). The cost base is decreased where cash distribution entitlements are attributed to the investor in respect of their units, irrespective of whether the amounts attributed are classified as income or capital. Additional reductions are made for certain tax offsets (such as the franking credit tax offset and foreign income tax offset).

The net annual tax cost base adjustment amount will be detailed in an AMIT member annual (**AMMA**) statement, which will be provided annually to investors after year-end.

### PUBLIC TRADING TRUST PROVISIONS

It is noted that a unit trust that is a public trust can be taxed as a company where it carries on (or controls another entity that carries on) trading activities other than eligible investment business activities.

Eligible investment business activities include passive activities, such as investing or trading in shares in a company, units in a unit trust, and financial securities and arrangements.

The Fund will be regarded as a public unit trust if it either: (a) has 50 or more unit holders (directly or indirectly through other trusts); (b) makes an offer or invitation of its units to the public; or (c) has its units listed for quotation on a stock exchange.

While the Fund may satisfy the definition of being a public unit trust, the Trustee intends to limit the activities of the Fund to eligible investment business activities so that the public trading trust provisions do not apply to the Fund. Furthermore, the Trustee will seek to ensure it does not control entities that carry on trading activities.

While the Trustee does not believe that the public trading trust provisions will apply to the Fund, these provisions must be considered on an annual basis. To the extent that the public trading trust provisions apply, the Fund will be required to pay tax at the corporate taxation rate (currently up to 30%) on taxable income and would seek to pay a franked dividend to the investors to the extent possible.

## 7.3. Additional income tax issues

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### DIVIDENDS

Investors in the Fund may receive, as part of their distribution, franking credits attached to franked distributions received by the Fund. Franking credits received will not represent part of an investor's cash distribution but must be included as assessable income in the investor's tax return.

Investors may be eligible for a tax offset for franking credits received, which can reduce the investor's tax liability. The extent to which an investor will receive franking credits will be subject to relevant franking credit integrity provisions, such as the 45-day holding rule.

### DISTRIBUTION REINVESTMENT

Investors may choose to reinvest their distributions as additional units in the Fund. Where the investor makes such a choice, the investor may still be assessed on the amount of the distribution applied to the reinvestment.

### FOREIGN INCOME

A Foreign Income Tax Offset (**FITO**) may arise where the Fund derives foreign sourced income and pays foreign tax on such income. The Fund may allocate FITOs to investors based on the distribution of income to such investors.

Investors may be able to claim a tax offset against their Australian income tax liability for FITOs allocated to them by the Fund. FITO's that are not utilised cannot be carried forward to a future income year.

### TAX LOSSES

Where the Fund incurs a tax loss, these do not flow through the Fund to investors. However, provided that the requirements of the trust loss provisions are satisfied, the Fund may be able to carry forward those tax losses to offset them against assessable income derived in a future income year.

## 7.4. Disposal of units

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To the extent that an investor disposes of their units (e.g. by way of a transfer or withdrawal) a gain or loss may arise. An investor that holds their units on capital account will derive a capital gain or incur a capital loss.

An investor may make a capital loss in respect of the disposal of their units to the extent that the capital proceeds are less than the tax cost base of the units. Alternatively, an investor may make a capital gain to the extent that the capital proceeds exceed the tax cost base of the units. In ascertaining the tax cost base, tax adjustments from tax-deferred distributions will need to be taken into account.

An investor may be eligible for the discount capital gains tax concession if the units are held for 12 months or more and the investor is an individual, trustee or complying superannuation fund.

## 7.5. Non-resident investors

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The taxation implications for investors that are not Australian resident for tax purposes (**non-resident investors**) are not considered as part of this Information Memorandum. However, this section provides a general outline of the Australian income tax requirements of the Fund to withhold on distributions made to non-resident investors by the Fund.

### WITHHOLDING TAX

Where an investor is a non-resident investor or provides details to the Fund that indicate that they are residing outside of Australia for tax purposes, withholding tax may be deducted from distributions at the applicable rate. The rates may vary according to whether the Fund qualifies as a Withholding MIT, the residency or address of the investor and the components of the distribution. Non-resident investors may also be subject to tax in the country of their residence (but may also obtain a credit for Australian withholding tax paid).

Where withholding tax is paid by the Trustee in relation to an investor and it is not a final tax, non-resident investors may be required to lodge an Australian income tax return.

## 7.5. Non-resident investors continued

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### NON-CONCESSIONAL MIT INCOME

Due to the nature of the Fund's investments, it may receive distributions (i.e. fund payments) that are characterised fully or partially as non-concessional MIT income (**NCMI**). Where such fund payments are to be distributed (or attributed) from the Fund to non-resident investors, a 30% MIT withholding tax rate (previously 15%) will apply. NCMI includes income from a cross staple arrangement or trading trusts.

The legislation contains transitional rules that allow assessable income derived by non-concessional MITs to not be treated as NCMI until 1 July 2026 where certain conditions are met. Accordingly, in respect of assessable income derived by the Fund that satisfy these transitional conditions, the lower 15% MIT withholding tax rate should continue to apply on fund payments distributed (or attributed) to non-resident investors, where a tax exchange of information agreement with Australia applies to the investor.

### CAPITAL GAINS ON NON-TAXABLE AUSTRALIAN PROPERTY ASSETS

Certain capital gains (e.g. capital gains related to non-taxable Australian property assets such as portfolio share interests) may not be subject to Australian withholding tax.

### DISPOSAL OF UNITS

Capital gains realised upon the (direct or indirect) disposal or redemption of units owned by non-resident investors will be subject to Australian capital gains tax if the units are taxable Australian property. This will generally be the case where the relevant non-resident investor has a non-portfolio interest in the Fund (i.e. a greater than 10% interest) and more than 50% of the market value of the Fund's assets are attributable to Australian real property. Based on the assets to be held by the Fund, the Trustee believes that it is likely that the units will constitute taxable Australian property.

## 7.6. Annual reporting

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The Fund is required to provide distribution information (including tax components) to the ATO on annual basis by lodging an Annual Investment Income Report.

Where the Fund is an AMIT, the Fund will also be required to provide an annual tax distribution statement to investors in the form of an AMMA statement that complies with the ATO guidelines. The AMMA statement will reconcile the cash distribution with the taxable distribution for the income year. The AMMA statement will also provide details on the net tax cost base adjustment for the income year.

## 7.7. Tax File Number (TFN) and Australian Business Number (ABN)

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As the Fund is an investment body for income tax purposes, the Fund will be required to obtain a Tax File Number (**TFN**) or Australian Business Number (**ABN**) in certain cases from its investors.

It is not compulsory for a Trust's investor to quote a TFN, claim a valid exemption for providing a TFN, or (in certain circumstances) provide an ABN. However, failure to obtain an appropriate TFN or ABN from investors will result in the Trust being required to withhold tax at the top marginal rate (currently 47%) with respect to distributions to the investor (which may be creditable in their tax return).

## 7.8. Goods and Services Tax (GST)

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The acquisition and disposal of units in the Fund by the Fund's investors will not be subject to GST.

However, GST may apply if fees are charged to the Fund by the Trustee. In such a case, the Fund may be eligible to claim a reduced input taxed credit of either 75% or 55% of the GST paid on some of the fees charged to the Fund, depending on the type of fee.

## 7.9. Stamp duty

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The issue, redemption, transfer or any other arrangement involving a change in the unitholding of the unit trust may result in stamp duty or other transaction duty consequences (for example, if the change in unitholding occurs at a time when the unit trust holds dutiable property, such as real property). Investors should confirm the duty consequences of their dealings in units with their taxation advisers.

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

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In compliance with the U.S income tax laws commonly referred to as the Foreign Account Tax Compliance Act (**FATCA**) and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Fund is required to provide information to the ATO in relation to: (a) investors that are US citizens or residents; (b) entities controlled by US persons; and (c) financial institutions that do not comply with FATCA.

The Trustee is intending to register the Fund for FATCA purposes and to conduct appropriate due diligence (as required). Where the Fund's investors do not provide appropriate information to the Trustee, the Trustee will also be required to report those accounts to the ATO.

## 7.11. Common Reporting Standards (CRS)

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The Common Reporting Standard (**CRS**) is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Trustee needs to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.



# 8 Risk factors

Any investment involves investors assuming a degree of risk. This risk may involve losing money on a particular investment opportunity, or the opportunity not providing the returns anticipated by the investor at the time of investment.

Whilst TRUE Infrastructure believes that the underlying risk profile of infrastructure as an asset class is relatively low, there can be no guarantee that an investment in the Fund will meet an investor's expectations.

In considering an investment in the Fund, potential investors should consider their own risk appetite and whether the risk profile of the Fund is consistent with their investment objectives. An investment in the Fund is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to the investment, and who have sufficient resources to be able to bear any loss that may arise from making the investment (which may be equal to the whole amount invested). Listed below are a number of risk categories which potential investors should consider in deciding whether to invest in the Fund. This list is not intended to be exhaustive, and potential investors should consider other risk factors which may apply.

## 8.1. Manager performance risk

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The value of units in the Fund will be impacted by the performance of the trustee of the Fund. The trustee of the Fund may make decisions with respect to the operation of the Fund and/or specific investments which prove to be detrimental to the asset value of the Fund. Furthermore, given the fund-of-funds structure of the Fund, investors are also exposed to the risk of performance of the managers of the underlying funds in which the Fund invests.

This performance is largely dependent on the skill, experience and integrity of the teams engaged by the trustee and managers of the underlying funds, and team members may change over time. Manager performance risk also encompasses the possibility of loss due to poor judgement, intentional or inadvertent deviations from a predefined investment strategy, directional investing outside predefined ranges, excessive leverage and fraud.

Furthermore, there are risks associated with the operation of the Fund, which may include human error, a systems breakdown, external threats and other factors which are beyond TRUE Infrastructure's control.

## 8.2. Fund strategy risk

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TRUE Infrastructure has developed a clear strategy with respect to the construction of the proposed investment portfolio of, and proposed future investment opportunities for, the Fund. Unit holders are exposed to the risk that this strategy may prove to be inappropriate or flawed, and that this may have an adverse impact on the value of the Fund.

Although appropriate investments will be actively pursued, there is no certainty that investments can be sourced and hence the Fund may not achieve its investment objective. There is a risk that there may be a lack of suitable investment opportunities for the Fund to invest in, given the Fund's investment philosophy and strategy.

### 8.3. Market/macroeconomic risk

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Material changes in the Australian economy and/or specific financial markets may have an adverse impact on the performance of the Fund. In particular, a material slowdown in the Australian economy or a regional economy in which an underlying business of the Fund is directly or indirectly invested or operates may result in a decline in revenue or value. Similarly, material changes in the level of interest rates and/or the Australian or global share markets may materially impact on the value of investments within the Fund's portfolio.

Specific risks within this category include, but are not limited to:

- **INFLATION RISK:** As some forecast cashflows for an infrastructure investment are escalated based on an assumed rate of inflation, returns from the Fund's investments can be affected by changes in the rate of inflation.
- **CURRENCY RISK:** To the extent that the Fund has exposure to underlying assets outside of Australia, fluctuations in exchange rates between the Australian dollar and the relevant local currencies, and the costs of conversion and exchange control regulations, will directly affect the value of the investments and the ultimate rate of return realised by investors. For future acquisitions, while the Fund may enter into hedging arrangements to mitigate this risk to some extent, there can be no assurance that such arrangements will be entered into or that they will be sufficient to cover such risk.
- **INTEREST RATE RISK:** Changes in interest rates can influence the value and returns of some of the Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities. In the event of a general rise in interest rates, the value of certain investments that may be contained in the Fund's portfolio may fall, reducing the Net Asset Value. Interest rates are highly sensitive to factors beyond TRUE Infrastructure's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

### 8.4. Liquidity risk

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TRUE Infrastructure Fund is an unlisted fund. As a result, there is no guarantee that investors will be able to redeem units or realise value for their investment in a timely manner. Furthermore, the Fund will hold investments in a number of underlying funds which may have limited liquidity, and these funds will in turn hold investments in a range of assets which may have limited liquidity. As a consequence, there is a risk that the Fund may not be able to realise fair value for its underlying investments, and that unit holders may not be able to realise fair value for their investment in the Fund.

### 8.5. Third party risk

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Each of the underlying assets held by the funds within the Fund's portfolio may generate revenue from third parties. The value of these assets may therefore be affected by the performance of these third parties, and any adverse impact on the revenue of the underlying assets may have a material adverse impact on the value of the Fund.

### 8.6. Industry risks

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Each of the underlying assets held by the funds within the Fund's portfolio may operate within a specific industry. Developments within that industry with regard to demand for products or services, supply of goods or services, the competitive landscape, competing modes of technology, or other industry-specific developments may have a material adverse impact on the value of the underlying assets and therefore a material adverse impact on the value of the Fund.

### 8.7. Political and legislative risk

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Changes to key legislation, industry regulations or public policy may have an adverse impact on the value of the underlying investments of the Fund, or on the value of the Fund itself. This could include taxation legislation (or the interpretation of taxation legislation by the Australian Taxation Office), workplace health and safety requirements, import or export restrictions, or other similar issues.

## 8.8. Valuation risk

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Investments in unlisted infrastructure businesses are inherently difficult to value, as there is no trading market or pricing mechanism. As a result, valuations of the assets held by the funds in which the Fund intends to invest are subject to uncertainty. Furthermore, the Fund is reliant on the integrity of the valuation processes adopted by the managers of the underlying funds and there is no assurance that an estimated or attributed value of an infrastructure investment will reflect the actual realisation price even where that occurs shortly after the date of the valuation. Accordingly, the published net asset value of the Fund may not accurately reflect the value of its underlying investments.

Investors should also be aware that the value of their investment in the Fund may go down (as well as up) and investors may therefore not recover their original cost of investment, especially as the market in both units in the Fund and the underlying investments of the Fund may have low or limited liquidity. In addition, the price at which investors may dispose of their units may be influenced by extraneous factors including the presence or absence of large investors, currency fluctuations, taxation or other legislative or regulatory changes, and general economic conditions. The value of the units in the Fund will therefore fluctuate and may not necessarily reflect their underlying appraised asset value.

## 8.9. Trading suspension risk

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Securities exchanges typically have the right to suspend or limit trading in securities admitted to quotation on the relevant exchange. To the extent the Fund invests in quoted securities, a suspension could make it difficult to liquidate positions for fair value in a timely way or at all, thereby exposing the Fund to loss.

## 8.10. Distributions risk

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Investors should note that payment of any cash distributions from the Fund will be at the discretion of the Trustee and that the level of cash distributions expected to be paid on units is not guaranteed and may fluctuate. Any distribution on the units will largely depend on income from, and growth in the value of, the underlying investments.

## 8.11. Borrowings risk

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In the event that the Trustee, or an entity in which the Fund invests, borrows money under a loan agreement and breaches a financial covenant or other term of the loan agreement, the whole of the loan may be required to be repaid on short notice. In that case, investments may need to be sold in a limited timeframe to repay borrowings, potentially in circumstances where the sale price does not reflect the value of the investments.

## 8.12. Derivatives risk

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TRUE Infrastructure may enter into futures or other derivative contracts for the Fund to achieve market exposure to certain infrastructure asset classes. Due to the low cost of derivatives and the high exposure value they provide to the underlying asset, a small adverse movement in the underlying asset price may result in significant losses based on the level of derivative exposure.

### **8.13. Construction and operation risks**

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Where the Fund invests (either directly or indirectly via an investment in another managed fund) in new infrastructure/greenfield projects, its investment assessment aims to determine whether the projects are sponsored by organisations with suitable experience, expertise and financial strength, and that appropriate insurance, warranties and indemnities are in place. However, it is impossible to eliminate all construction and operational risks that are inherent in infrastructure projects.

Where an infrastructure asset is under construction, there is a risk that the project will not be completed within budget, within the agreed time frame or to the agreed specification. Completion delays may result in delays in the generation of project revenues and hence the distributions paid by the Fund. Failure to meet agreed specifications may permanently diminish revenues. In addition, it is impossible to fully insure against all loss or damage arising from events beyond the control of a party including acts of God, fire, earthquakes, flood, war, terrorism and industrial disputes.

Once constructed, the long-term profitability of an infrastructure asset depends on the efficient operation and maintenance of the asset. Asset revenues and expenses may be adversely affected if an asset is not properly operated or maintained. Inefficient operation and maintenance of an infrastructure asset may reduce the level of returns received (directly or indirectly) by the Fund from that asset.

### **8.14. Refinancing risk**

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If underlying funds or assets are unable to obtain additional or replacement debt funding on favourable terms in the future, including as a result of adverse market conditions such as those that were experienced in global credit markets during 2008 and 2009, the ability of those entities to fund working capital and other capital requirements, take advantage of opportunities, undertake future projects, develop new business initiatives or respond to competitive pressures may be adversely affected. Additionally, the ability of those entities to pay equity distributions may be impacted. This may reduce the value of the Fund's investments and have a negative impact on the performance of the Fund.



# 9 Other information

## 9.1. Summary of the Trust Deed

The Fund and the rights and obligations of unit holders is governed by the Trust Deed. The Trust Deed also provides the operational framework for the ongoing management of the Fund and the powers, duties and obligations of TRUE Infrastructure as trustee of the Fund.

A summary of the provisions of the Trust Deed dealing with:

- distributions to unit holders;
- the redemption of units;
- financial reporting; and
- the Trustee's entitlement to fees and reimbursement of expenses;

is provided in sections 3 and 4 of this Information Memorandum. Summaries of other key provisions of the Trust Deed are set out in the table below. These summaries are based on the provisions of the Trust Deed that are applicable whilst the Fund is not registered as a managed investment scheme under the Corporations Act. If further information is required, the Trust Deed should be consulted, a copy of which can be obtained by calling TRUE Infrastructure's Registry Provider on 1300 046 609.

Item	Detail
Issue of units	<p>The Trustee may issue or grant options over units to any person on such terms as the Trustee thinks fit. However, subject to some exceptions, the issue price of a unit issued under an application must be based on the value of a unit (<b>Unit Value</b>) at the time of issue of the unit plus a transaction charge per unit (if any), adjusted up or down by not more than 1% or \$0.01 as the Trustee may determine. Unit Value is simply determined as the net asset value of the Fund (see below) divided by the number of units on issue at the relevant time, subject to adjustment for any partly paid units that are on issue. The transaction charge is the amount per unit determined by the Trustee as being a fair estimate of the costs incurred in acquiring the assets of the Fund (excluding purchase price) or, if the Trustee considers it appropriate, such lesser amount per unit or nil as the Trustee may determine. TRUE Infrastructure does not intend to add any transaction charge in respect of the issue of units applied for under this Information Memorandum.</p> <p>The Trustee may in some cases issue units at a discount of up to 15% of the issue price that would otherwise apply e.g. where the units are to be issued pursuant to a distribution reinvestment plan, under a pro rata offer or on the exercise of options that have been offered to unit holders on a pro rata basis.</p> <p>The Trustee may charge an application fee of up to 3% of the amount payable for an issue of units which is payable by the applicant to or at the direction of the Trustee and does not form part of the assets of the Fund. TRUE Infrastructure does not intend to charge any application fee in respect of any units applied for under this Information Memorandum.</p>

## 9.1. Summary of the Trust Deed continued

Item	Detail
<p><b>Redemptions</b></p>	<p>While the Trustee intends to apply the redemption policy set out in section 3.9 of this Information Memorandum, the Trustee retains the discretion to reject any request for a redemption of units in whole or in part for any reason.</p> <p>The price at which units are to be redeemed (<b>Redemption Price</b>) is the Unit Value less a transaction charge per unit, adjusted up or down by not more than 1% or \$0.01 as the Trustee may determine. The transaction charge per unit is a fair estimate of the costs that would be incurred in selling assets required to facilitate the redemption or, if the Trustee considers it appropriate, such lesser amount per unit or nil as the Trustee may determine. In determining the Redemption Price of any units, the Trustee reserves the right to deduct a transaction charge per unit in accordance with the Trust Deed.</p> <p>The Trustee may charge a redemption fee of up to 5% of the Redemption Price for any units received, which is payable to or at the direction of the Trustee and does not form part of the assets of the Fund. Currently the Trustee does not intend to charge any fee in respect of any units to cover the administrative and other costs of processing the redemption, but this may increase if the costs associated with the redemption also increase.</p>
<p><b>Valuations</b></p>	<p>The Trustee may at any time and must, at the end of each Financial Year and any date there is a change of trustee, determine the amounts which fairly represent the current gross asset value and the current net asset value of the Fund. The Trustee may determine the valuation method for each category of asset and change it from time to time and may make the valuation itself or engage an approved valuer to make the valuation.</p> <p>The determination of net asset value must take into account all present liabilities of the Fund and any other factors which seem necessary or desirable including, but not limited to, any fees or costs accrued but not yet reimbursed out of the assets of the Fund.</p>
<p><b>Transfer of units</b></p>	<p>A unit holder may only transfer its units in the Fund with the approval of the Trustee.</p>
<p><b>Decision making</b></p>	<p>The Trustee has all the powers in respect of the Fund that it is legally possible for a natural person or corporation to have and as though it were the absolute owner of the assets of the Fund and acting in its personal capacity, and all decisions in relation to the Fund are to be made by the Trustee, subject to the Trust Deed. In particular, the Trust Deed specifies a number of significant matters that either can only be made by, or require the approval of, unit holders e.g. termination of the Fund, variation of the terms of the Trust Deed (other than where the Trustee believes the amendment will not adversely affect the rights of unit holders) and removal of the Trustee in certain circumstances.</p>
<p><b>Borrowings</b></p>	<p>There is no limit on borrowings under the Trust Deed until such time as the Trustee has received \$200 million in cleared funds paid to it for the issue of units in the Fund.</p> <p>Following the receipt of \$200 million in applications for new units, the Trustee may only borrow on a short-term basis provided the total borrowings do not exceed the lesser of the total of the Fund's liquid investments (cash, cash equivalents and/or investments in ATLAS) and 20% of the gross asset value of the Fund (plus any uncalled amounts on the units).</p> <p>This borrowing limit may be increased by resolution of unit holders passed by at least a 75% majority.</p>
<p><b>Retirement of Trustee</b></p>	<p>The Trustee may retire on 3 months' notice to unit holders (or any shorter period permitted by resolution of unit holders passed by at least a 75% majority).</p> <p>Prior to the date of retirement, the Trustee must appoint a replacement trustee. If it fails to do so, a new trustee may be appointed by resolution of unit holders passed by at least a 75% majority.</p>

## 9.1. Summary of the Trust Deed continued

Item	Detail
<b>Removal of Trustee</b>	<p>If:</p> <ul style="list-style-type: none"> <li>• the Trustee commits a material breach of a fundamental term of the Trust Deed and fails to remedy substantially the breach within 30 days from receipt of a written notice of default authorised by a resolution of unit holders; or</li> <li>• except for the purpose of solvent reconstruction, the Trustee threatens to cease or ceases to carry on its business, enters into voluntary or compulsory liquidation, has a receiver, administrator or liquidator appointed, enters into a scheme or arrangement with its creditors or otherwise becomes insolvent,</li> </ul> <p>the Trustee must retire if required to do so by resolution of unit holders passed by at least a 75% majority if at the time of the meeting the breach remains substantially unremedied or the Trustee is still insolvent (as the case may be).</p>
<b>Indemnification of Trustee</b>	<p>The Trustee is entitled to be indemnified out of Fund assets for all liabilities, costs, and expenses incurred in connection with the Fund other than losses or liabilities arising from the Trustee's own fraud, dishonesty or wilful misconduct.</p>
<b>Termination of Fund</b>	<p>The Fund may be terminated by the Trustee giving 30 days' written notice of termination to unit holders.</p> <p>After 7 years from the date of the commencement of the Fund, unit holders holding at least 75% of the units on issue may require the Fund to be terminated by giving at least 30 days' written notice of termination to the Trustee.</p>
<b>Variation of Trust Deed</b>	<p>The Trust Deed may be amended by supplemental deed executed by the Trustee if:</p> <ul style="list-style-type: none"> <li>• the Trustee reasonably believes that the amendment will not adversely affect the rights of unit holders; or</li> <li>• the amendment is approved by resolution of unit holders passed by at least a 75% majority.</li> </ul>

## 9.2. Conflicts of interest and related party disclosures

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Related party transactions may give rise to conflicts of interest that need to be carefully managed by TRUE Infrastructure to ensure that the interests of investors are given priority. Examples of related party arrangements which could give rise to conflicts of interest are:

- Mr Mike Fitzpatrick is a Director and shareholder (through a discretionary trust arrangement) of TRUE Infrastructure. Mr Fitzpatrick is also a director and shareholder of ICG and as a consequence is expected to receive a financial benefit from any investment by the Fund in funds managed by ICG.
- Mr Peter McGregor is a Director of TRUE Infrastructure and is also a director and shareholder of Stratford Advisory Services Pty Ltd (**Stratford**). Stratford has acted as financial adviser to TRUE Infrastructure on the formation of the Fund. TRUE Infrastructure has paid or agreed to pay advisory fees to Stratford which TRUE Infrastructure is entitled to recover from the Fund under the terms of the Trust Deed. Upon completion of the Offer, Stratford may be entitled to a success fee which TRUE Infrastructure would also be entitled to recover from the Fund.
- TRUE Infrastructure appointed Mr McGregor as Executive Director and CEO on 1 December 2020. All compensation payable to Mr McGregor in this capacity will be payable by TRUE Infrastructure and will not be recoverable from the Fund.

TRUE Infrastructure has adopted a conflicts of interest policy and has processes in place to ensure any real or potential conflicts of interest are appropriately managed. Specific arrangements in relation Mr Fitzpatrick's interests are:

- Mr Fitzpatrick must disclose to the Board when a potential conflict of interest exists in relation to a matter requiring a Board decision or resolution. The Board will assess the nature of the conflict and determine whether Mr Fitzpatrick is to be included or excluded from Board discussions or to vote as a Director on the matter.
- Notwithstanding the above, Mr Fitzpatrick will be excluded from voting as a Director on matters relating to investments in or divestments from ICG-managed assets or funds and TRUE Infrastructure will not involve Mr Fitzpatrick in any day-to-day engagement between TRUE Infrastructure and ICG which may arise in the ordinary course of business.

In relation to Mr McGregor, from the date of his appointment as Executive Director and CEO, and whilst he remains employed in this capacity, Stratford will be precluded from providing any further advisory or other services to TRUE Infrastructure.



# 10 Glossary

<b>ATLAS Global Infrastructure Fund or AGIF</b>	ATLAS Global Infrastructure UCITS ICAV, an open-ended collective asset management vehicle authorised in Ireland as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations and is registered under the laws of Ireland with registration number C167077
<b>ATLAS Infrastructure or ATLAS</b>	ATLAS Infrastructure Partners (UK) Limited, a private limited company incorporated in the United Kingdom with company number 10605792
<b>Australian Renewables Income Fund or ARIF</b>	Australian Renewables Income Fund, the trustee of which is Infrastructure Specialist Asset Management Limited ABN 30 098 827 671
<b>Board</b>	board of directors of TRUE Infrastructure
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>CPI</b>	All Groups Consumer Price Index Weighted Average of Eight Capital Cities published by the Australian Bureau of Statistics
<b>Director</b>	director of TRUE Infrastructure
<b>Diversified Infrastructure Trust or DIT</b>	Diversified Infrastructure Trust and Diversified Infrastructure Trust II, the trustee of both of which is Infrastructure Specialist Asset Management Limited ABN 30 098 827 671
<b>Eligible Investor</b>	person who is a Wholesale Investor
<b>Energy Infrastructure Trust or EIT</b>	Energy Infrastructure Trust, the trustee of which is Infrastructure Specialist Asset Management Limited ABN 30 098 827 671
<b>Financial Year</b>	financial year of the Fund, currently a year ending on 30 June, excluding any time occurring before the commencement, or after completion of the winding up, of the Fund
<b>Fund or TRUE Infrastructure Fund</b>	TRUE Infrastructure Fund, a unit trust governed by the Trust Deed

<b>GST or goods and services tax</b>	has the same meaning the term has in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth)
<b>Infrastructure Capital Group or ICG</b>	Infrastructure Capital Group Limited ABN 85 094 815 513
<b>Net Asset Value</b>	net asset value of the Fund determined by the trustee of the Fund in accordance with clause 8.3 of the Trust Deed
<b>Offer</b>	offer or invitation by TRUE Infrastructure under this Information Memorandum to Eligible Investors to apply for units in the Fund on the terms set out in this Information Memorandum
<b>Registry Provider</b>	Boardroom Pty Limited ABN 14 003 209 836
<b>TRUE Infrastructure</b>	TRUE Infrastructure Management Pty Ltd ABN 72 640 187 202
<b>Trustee</b>	trustee or trustees of the Fund, currently TRUE Infrastructure
<b>Trust Deed</b>	trust deed dated 5 November 2020 executed by TRUE Infrastructure as amended by supplemental deed dated 6 May 2021
<b>Unit Value</b>	Net Asset Value at a particular time divided by the total number of units in the Fund on issue at that time. If in the future any partly paid units are issued, for the purposes of determining Unit Value a partly paid unit will be treated as a fraction equal to the proportion of the issue price paid on the partly paid unit at the relevant time
<b>Wholesale Investor</b>	wholesale client within the meaning of section 761G of the Corporations Act or any other person to whom a product disclosure statement for the units in the Fund does not need to be given under part 7.9 of the Corporations Act when an offer or invitation to apply for units or issue of units is made to the person

