



**CORDISH  
DIXON**  
PRIVATE EQUITY FUND IV

ARSN 624 474 531

# Product Disclosure Statement

PRODUCT DISCLOSURE STATEMENT FOR THE OFFER OF PARTLY PAID ORDINARY UNITS IN THE CORDISH DIXON PRIVATE EQUITY FUND IV (ARSN 624 474 531) TO ISSUE UP TO \$100 MILLION PARTLY PAID UNITS, WITH THE ABILITY TO ISSUE UP TO A MAXIMUM OF \$100 MILLION PARTLY PAID UNITS THROUGH OVERSUBSCRIPTIONS.

THIS OFFER IS NOT UNDERWRITTEN.

RESPONSIBLE ENTITY

**WALSH & COMPANY**  
INVESTMENTS LIMITED

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



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# Important information

This product disclosure statement (**PDS**) is an invitation to acquire partly paid units (each a **Unit**) in the Cordish Dixon Private Equity Fund IV (ARSN 624 474 531) (**Fund**). This PDS was prepared and issued by Walsh & Company Investments Limited (ACN 152 367 649 | AFSL No 410433) (referred to in this PDS as “**Walsh & Company**”, “**we**”, “**our**” and “**us**”). Walsh & Company is the responsible entity (**Responsible Entity**) of the Fund.

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

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this PDS. Any information or representation not so contained or taken to be contained may not be relied on as having been authorised by us in connection with the Offer.

**Information relating to the Fund may change from time to time. Where changes are not materially adverse, information may be updated and made available to you on the Fund's website at [www.cordishdixonfunds.com.au](http://www.cordishdixonfunds.com.au). A paper copy of any updated information is available free on request from Walsh & Company.**

## Date of PDS

This PDS is dated 13 March 2018. Unless otherwise stated, information in this PDS is current as at the date of this PDS.

## Currency and rounding

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

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

## No guarantee

Neither we nor our respective subsidiaries nor any other party makes any representation or gives any guarantee or assurance as to the performance or success of the Fund, the rate of income or capital return from the Fund, the repayment of the investment in the Fund or that there will be no capital loss or particular taxation consequence of investing in the Fund. An investment in the Fund is subject to various risks. These risks are discussed in Section 6.

## Restrictions on the distribution of this PDS

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

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

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

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

## Electronic PDS

An electronic version of this PDS (including the Application Form) is available from the Fund's website at [www.cordishdixonfunds.com.au](http://www.cordishdixonfunds.com.au).

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## **Copy of this PDS**

The Responsible Entity will provide you with a copy of this PDS free of charge if you request one during the Offer period, within five days after receiving such a request.

## **Forward looking statements**

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

## **Enquiries**

Applicants with enquiries concerning the Application Form or relating to this PDS and the Offer should contact the Responsible Entity on 1300 454 801, or via email at [info@cordishdixonfunds.com.au](mailto:info@cordishdixonfunds.com.au).

Other than as permitted by law, applications for Units in the Fund will only be accepted following receipt of a properly completed Application Form.

## **Glossary of terms**

Defined terms and abbreviations included in the text of this PDS are set out in the Glossary in Section 14.

## **Photographs and diagrams**

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





# Letter of introduction

Dear Investor

We are pleased to offer you the opportunity to invest in Cordish Dixon Private Equity Fund IV (**Fund**). The Fund is the fourth fund in the Cordish Dixon Private Equity series, comprising Cordish Dixon Private Equity Fund I (**Fund I**), Cordish Dixon Private Equity Fund II (**Fund II**), Cordish Dixon Private Equity Fund III (**Fund III**), and the Fund (together, **the Series**).

For this Fund, the unit pricing structure has evolved so that the per Unit Application Price of \$1.60 will be paid in instalments, with the first instalment of \$0.32 payable on application. This structure better reflects the way in which capital is invested by private equity entities, that is, following a process whereby an opportunity is identified, due diligence is conducted, and the investment decision made. Accordingly, the Responsible Entity will make further calls on these partly paid Units over an expected period of three to five years, as and when it is in a position to invest the capital. The Responsible Entity anticipates that each subsequent instalment will be approximately \$0.32 per unit (equivalent to 20% of the Application Price), and that some cash may be held by the Fund in advance of making the private equity investments. While the Fund will not be listed on ASX initially, after the Units are fully paid, the Responsible Entity may seek to publicly list the Fund in order to provide liquidity.

The Series was established to allow individual investors access to a family office style of investing in US-based operating businesses via well-credentialed, US-focused, private investment funds. Family offices are typically established and managed by ultra-high net wealth families. They are often able to access private investment opportunities and to source creative investment structures that are beyond the reach of most investors.

To provide Australian investors with the opportunity to gain exposure to this form of investing, Dixon Advisory, a member of the Evans Dixon Group entered into a partnership with Cordish Private Ventures, LLC (**Cordish Private Ventures**), the private investment funds arm of The Cordish Companies, a Baltimore, Maryland, US-based, high net worth, multi-generational family business with extensive experience and success in investing in US private investment funds.

The funds in the Series invest alongside and on similar terms as Cordish Private Ventures in US-based, small-to-mid sized, operating businesses through well-credentialed, US-focused, private investment funds. The Cordish family, through Cordish Private Ventures, invested US\$10 million, US\$12 million, and US\$15 million alongside and on similar terms as Fund I, Fund II, and Fund III respectively. For the current raising, Cordish Private Ventures has committed to invest US\$15 million alongside the Fund, demonstrating their commitment to, and belief in, the investment strategy.

Walsh & Company, the Responsible Entity and a member of the Evans Dixon Group, believes that private investments have the potential to offer superior long-term returns relative to public market asset classes such as listed equities. Further, among the range of private investment vehicles, smaller and more nimble private investment funds, the focus of the Series, outperform their larger counterparts, on average. However, it should be noted that private investments are considered a higher risk asset class than traditional equities, with an increased potential for both loss of capital and operational and financial variability. See Section 6 for details.

The investments of the Fund will be undertaken by an Investment Manager, Dixon Asset Management USA, Inc., taking into account the expertise of an Advisory Board. These investments will primarily comprise investments in US-based, small-to-mid market, private investment funds managed by third party managers. The Fund will also seek to invest directly, or as a co-investor with various limited partnerships, in private investments. The Fund's investments will be made through a limited partnership to be known as the U.S. Select Private Opportunities Fund IV, LP (**LP**), which has been established in the Cayman Islands.

Under this offer, up to 62.5 million units will be offered at a price per unit of \$1.60 to raise \$100 million, with the ability to raise an additional \$100 million through oversubscriptions.

We ask that you read this PDS carefully before making your investment decision. This document contains important information in relation to the Fund. Like all investments, an investment in the Fund carries risk. These risks are summarised in Section 1.2 and set out in detail in Section 6.

We commend the Offer to you and look forward to welcoming you as an investor in the Cordish Dixon Private Equity Fund IV.

Yours faithfully

A handwritten signature in black ink, appearing to read 'AM', is positioned above the printed name of the signatory.

**Alex MacLachlan**

Chairman of the Responsible Entity

# Investment overview and key dates

## Key dates

<b>Date of PDS</b>	13 March 2018
<b>Offer Opening Date</b>	13 March 2018
<b>Offer Closing Date*</b>	27 March 2018
<b>Issue Date*</b>	6 April 2018

\*The above dates are indicative only and may vary, subject to the requirements of the Corporations Act. The Responsible Entity may vary the dates and times of the Offer (including closing the Offer early) without notice.

## About the Offer

KEY OFFER DETAILS	SUMMARY	MORE INFORMATION
<b>Issuer</b>	This PDS and the Units are issued by Walsh & Company, the Responsible Entity.	Section 4.1
<b>Offer</b>	<p>The Offer comprises an offer of up to 62.5 million Units at a price per Unit of \$1.60 to raise \$100 million, with the ability to raise an additional \$100 million through oversubscriptions.</p> <p>The Fund has been structured with Units being paid in instalments. The first instalment of \$0.32 per Unit (<b>First Instalment</b>) is payable upon Application. The Responsible Entity anticipates that each subsequent instalment will be approximately \$0.32 per unit (equivalent to 20% of the Application Price).</p> <p>The purpose of the partly paid structure is to better align the timing of calls with the capital call process for the LP which is typical to private equity investments, so that the Fund's capital is deployed in a timely way and to better manage foreign exchange risk.</p>	Section 5
<b>Application Price</b>	\$1.60 per Unit.	Section 5.1
<b>Minimum Subscription</b>	<p>A minimum subscription of \$50 million (31.25 million Units) must be raised by the Offer Closing Date.</p> <p>If the Offer is unsuccessful, all Application Monies will be refunded, without interest.</p>	
<b>Minimum Application per Investor</b>	The minimum Application amount per Investor is \$2,000.00 (1,250 Units).	Section 16.1
<b>Purpose of the Offer</b>	To invest in a portfolio of US small-to-mid sized private investment funds, as well as potential direct investments, consistent with the investment strategy of the Fund.	Sections 4.2 and 4.3
<b>Pro Forma NAV</b>	\$0.27 per Unit.	Section 8.1
<b>Applicants</b>	The Offer is open to Applicants with a permanent address in Australia.	Section 5.1

KEY OFFER DETAILS	SUMMARY	MORE INFORMATION
<b>Superannuation funds</b>	Superannuation funds may invest in the Fund subject to the investment mandate of the particular fund and the trustee's general powers and duties.	
<b>Underwriting</b>	The Offer is not underwritten.	Section 16.2
<b>Fees and Costs</b>	<p>The Responsible Entity charges Structuring and Handling Fees for the Offer and ongoing fees to manage the Fund. There are also fees and other indirect costs charged by underlying funds.</p> <p>For the purposes of the Structuring Fee and the Handling Fee, the 'gross proceeds of the offer' is based on both called and uncalled amounts per Unit, and the whole of the Structuring Fee and Handling Fee will be deducted from the First Instalment only.</p> <p>As such, the proportionate effect of the upfront cost will diminish over time, assuming the investment is held over the long term as is recommended for this Fund.</p>	Section 7

## About the Fund

KEY FUND FEATURES	SUMMARY	MORE INFORMATION
<b>Fund Type and Responsible Entity</b>	<p>The Fund is an unlisted unit trust and has been registered as a managed investment scheme under the Corporations Act.</p> <p>Walsh &amp; Company is the Responsible Entity of the Fund.</p>	Sections 4.1, 11.1 and 11.2
<b>Fund structure</b>	<p>The Fund will invest in a limited partnership, U.S. Select Private Opportunities Fund IV, LP (<b>LP</b>) that has been established in the Cayman Islands. The Fund, through co-investing with various limited partnerships, will acquire ownership in underlying private investments.</p> <p>All private investments held by the Fund are held indirectly through the LP. Accordingly, references to the Fund's investments in the PDS should be interpreted as investments made through the LP.</p> <p>The general partner of the LP, with responsibility for selecting and managing investments of the LP (including investments to be made by the Fund), is U.S. Select Private Opportunities Fund IV GP, LLC (<b>GP</b>).</p>	Section 4.1
<b>Term of the Fund</b>	<p>The Fund does not have a fixed investment term and is designed for the long-term investor. The Responsible Entity intends that the Fund will hold investments indirectly through the LP for up to 10 years and to make distributions as the investments are realised. There will be no right to redeem Units unless the Responsible Entity chooses to make a pro rata withdrawal offer. When the Units are fully paid, the Responsible Entity may seek to publicly list the Fund in order to provide liquidity.</p> <p>Investors are cautioned that an investment horizon of less than 10 years in the Fund may not provide sufficient opportunity for an increase in the value of underlying investments of the Fund.</p> <p>In limited circumstances, the Fund may be required to exit the LP early. For further information see Sections 12.1 and 12.4.</p>	Section 4.5
<b>Investment Manager</b>	The GP has engaged Dixon Asset Management USA, Inc. ( <b>Investment Manager</b> ) to provide investment management services. The Investment Manager will have discretion to undertake investments on behalf of the GP and in turn for the LP.	Sections 4.1 and 11.5

KEY FUND FEATURES	SUMMARY	MORE INFORMATION
<b>Investment objective</b>	To provide Unitholders with: a) exposure to a portfolio of investments in small-to-mid sized private investment funds predominantly focused in the US; and b) capital growth over a five to 10-year investment horizon.	Section 4.2
<b>Investment strategy</b>	To target US small-to-mid sized private investment funds, seeking to replicate Cordish Private Ventures' investment strategy of focusing on this attractive investment niche.	Section 4.3
<b>Investment process</b>	All decisions regarding investment and divestment by the LP will be made by the Investment Manager subject to investment objectives, policies and restrictions adopted by the GP from time to time. The GP reserves the right to replace the Investment Manager at its sole discretion. The terms of the Investment Advisory Agreement require the Investment Manager to exercise its discretion to make investments consistent with the investment strategy of the Fund outlined in this PDS.	Section 4.6
<b>Distributions</b>	Distributions are expected to be primarily funded from the realisation of underlying investments, and so should not be expected for the first few years. Any earnings-derived Fund distributions are likely to occur at irregular intervals and be of varying amounts.	Section 13.8
<b>Fund borrowings (gearing)</b>	The Responsible Entity does not intend for the Fund to directly undertake borrowings.  The LP may take on borrowings, as determined to be appropriate by the GP in its sole discretion, in order to acquire private investments. The GP may cause the LP to borrow not more than 15% of the LP's aggregate capital commitments.	Section 13.4



# 1. Key benefits and risks

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

## 1.1 Key investment benefits

KEY BENEFITS		MORE INFORMATION
<b>Access to family office style of investing alongside the highly successful Cordish Family</b>	The Fund provides an opportunity to invest alongside the Cordish Family Office, which has significant experience and expertise investing in private markets. Typically, family offices have access to many private ventures and investment opportunities that are beyond the reach of most individual investors.	Section 2
<b>Superior long-term returns available in small-to-mid sized private investments</b>	<p>Historically, US private equity has consistently outperformed US public equity over the long term. Furthermore, within private equity, small-cap private equity has generally generated superior performance to its larger counterparts over the long term.</p> <p>Over the past 10, 15, and 20-year periods, as at 30 June 2017, US small cap private equity funds have, on average, generated net returns of 12% to 15% per annum (net of fees and expenses) and outperformed US public equities by 5% to 7% per annum. Historical performance is not a reliable indicator of future performance.</p>	Sections 3.4, 13.1.2 and 13.8
<b>Diversification benefits</b>	<p>The Responsible Entity believes the Fund offers investors the opportunity to diversify their investment portfolio beyond real estate, public equities and fixed income while increasing their return potential.</p> <p>Private investment returns have historically demonstrated low correlation with public equities and fixed income and have on average tended to outperform listed equities.</p>	Section 3.4
<b>High quality and experienced management team</b>	The Responsible Entity believes that manager selection is critical to success in investing in private equity. The Investment Manager has demonstrated strong expertise in selecting top performing managers within small-to-mid sized private investment funds. Performance information about the other funds in the Series is available on our website at <a href="http://www.walshandco.com.au">www.walshandco.com.au</a> .	Sections 2 and 11
<b>Convenient investment platform</b>	<p>Private investment funds are typically illiquid and have minimum investment requirements ranging from \$1 million to \$5 million, and often higher, putting the best performing private investment funds out of reach of most investors.</p> <p>The Fund provides an opportunity to invest in private investment opportunities. The partly paid structure of the Units is expected to align better with the capital call structure of private investments where committed capital is drawn down and invested over time as investments are identified. The Responsible Entity will make further calls on these partly paid units over an expected period of three to five years but reserves the right to vary the timing and amounts of further calls. The Responsible Entity may also consider the impacts of foreign exchange movements when making the decision to call additional capital.</p>	Section 3.1

## 1.2 Key investment risks

As with most investments, the future performance of the Fund can be influenced by a number of risks and factors that are outside the control of the Responsible Entity. A more detailed list of various risks are discussed in Section 6 and include:

KEY RISK		MORE INFORMATION
<b>Investment performance</b>	The Fund's performance depends on the underlying investment managers. The underlying investment managers may be unable to secure appropriate investments or realise existing investments.	Section 6.1(A)
<b>Private investments risk</b>	Private investments should be considered a higher risk asset class than traditional equities. This approach may increase the potential for loss of capital and may result in greater operational and financial variability.	Section 6.1(B)
<b>Unlisted underlying investments risk</b>	The underlying investments of private investment funds are typically unlisted investments. As a result, there may be no open market to establish an independent value for certain investments and no assurance that a determination of fair value will be obtainable in the market or that there will be a market for the sale of the unlisted investment.	Section 6.1(C)
<b>Partly paid Units</b>	<p>Units under the Offer will be issued on a partly paid basis. In the event that Unitholders fail to meet their obligations with respect to payment of the capital calls as and when due, Unitholders' Units may be forfeited. The Responsible Entity may sell the forfeited Units as fully paid units or partly paid Units.</p> <p>The Unitholder may be liable to pay interest costs and expenses incurred by the Responsible Entity as a result of its default. Any surplus amounts from the sale of these Units will be returned to the Unitholder. If the costs are more than the sale price of the Units or the proceeds are less than what is owing, Unitholders will be liable for the balance, up to the total amount committed as the Application Price of the Units. The partly paid structure also means that until the Units are fully paid, they carry a potential liability in the amount of the unpaid and uncalled amounts.</p> <p>Further, non-payment of calls by Unitholders may mean that the Fund cannot meet its obligations to the LP. This may mean that the Fund suffers sanctions as a defaulting partner in the limited partnership, which may include a penalty of 25% of the capital contributed, charging of interest, loss of income, and forced sale.</p>	Sections 6.1(D) and 6.1(G)
<b>Investment exit risk</b>	Investments in private investment funds are not frequently traded, and the LP may not be able to withdraw from or otherwise realise its investment in the underlying funds.	Section 6.1(E)
<b>Foreign exchange risk</b>	<p>The Fund's investments will be primarily in US small-to-mid sized private investment funds with assets and liabilities being denominated in US dollars. The value of the Units may be affected by increases and decreases in the Australian Dollar/US Dollar exchange rate. This will affect the value, in Australian dollars, of any income or capital distributed by the Fund.</p> <p>The Fund's current policy is not to hedge against exchange rate fluctuations.</p>	Section 6.1(F)
<b>Investment horizon risk</b>	<p>Investing in private investments requires a long-term commitment to the asset class, typically five to 10 years, and this will mean that realisation of value, through capital growth, may be similarly timed.</p> <p>The ability for the Fund to exit the LP is extremely limited. The Fund, GP, and the Investment Manager can exercise no control over the decisions of the underlying fund managers. Accordingly, the Fund may not be able to readily realise its investment in underlying funds.</p>	Section 6.1(G)

KEY RISK		MORE INFORMATION
<b>Cordish's ability to assist in securing investments; and key personnel risk</b>	<p>While it is anticipated that the investment by Cordish Private Ventures in the LP and the involvement of its affiliates and staff will assist the Investment Manager in securing access to private investment funds for investment, there can be no certainty that this will eventuate.</p> <p>There is a risk of departure of key staff who have particular expertise in funds and private investments, whether they are the staff of the Responsible Entity, the GP, Cordish Private Ventures, the Investment Manager or the underlying fund managers.</p>	Section 6.1(H) and Section 6.2(B)
<b>Indirect investment; and alignment of interests</b>	<p>Decisions as to selection of the ultimate investments to which the Fund will be exposed are not controlled by the Responsible Entity. Rather, the GP and the Investment Manager select the underlying managers that choose the investments.</p> <p>The Responsible Entity does not control the GP, however one of its related bodies corporate (as that term is defined in the Corporations Act) has a significant interest (42.5%) in the GP. There is no guarantee that this interest will be maintained. In any event, the GP owes fiduciary duties to all limited partners of the LP (including but not limited to, the Responsible Entity) and so it may make decisions which do not align with the preferences of the Responsible Entity.</p>	Sections 6.1(I) and 6.2(D)
<b>Taxation risk</b>	Changes to tax laws or unfavourable interpretation of existing laws may result in taxation consequences that are adverse to the value of the Fund.	Section 6.1(J)
<b>Distributions risk</b>	Distributions are expected to be primarily funded from the realisation of underlying investments, and so should not be expected for the first few years. Any Fund distributions are likely to occur at irregular intervals and be of varying amounts.	Sections 3.3(f) and 6.1(K)
<b>Potential for increased costs</b>	The Investment Manager will invest on behalf of the LP in private investment funds as delegate of the GP. The underlying fund managers are also entitled to receive fees associated with performance of their management function. The multi-manager structure may result in the Fund paying a higher level of fees than if the Fund could invest directly in the assets held by the underlying funds, as investment manager fees and expenses are payable in respect of the LP and the underlying funds. However, the structure provides access to specialist investment expertise that may otherwise be unavailable to the Fund and its investors.	Section 6.1(M)
<b>Capital deployment</b>	Investment returns may be affected by the time it takes the LP and/or the underlying funds to identify attractive investments and deploy capital.	Section 6.1(L)
<b>Unit liquidity risk</b>	Once the Units are fully paid up, the Responsible Entity may apply for the Fund to be listed, or if it remains unlisted the Fund may return capital to investors by way of capital distributions as investments are realised. However, neither outcome can be guaranteed. Unitholders may have limited or no opportunity to realise their investment in the Fund as there is no fixed term for the Fund, there will not be a right to redemption of Units unless the Responsible Entity chooses to make a pro rata withdrawal offer, and the Fund will be unlisted. While there will not be a ready market for selling Units, the Responsible Entity has the discretion to permit transfers.	Sections 5.4 and 6.3(A)



## 2. Overview of the Cordish Companies and Cordish Private Ventures

### 2.1 Introduction

The Cordish Companies is a Baltimore, Maryland US-based fourth generation family business that has grown into a conglomerate of businesses since it was founded in 1910. The group's core business is a large and well-respected real estate development business that is widely recognised as a leading developer of large-scale urban revitalisation projects and entertainment districts. Many of the group's developments involve public-private partnerships and are of unique significance to the cities in which they are located. Other divisions of The Cordish Companies include a highly successful casino and resort development company, an operating division that owns and operates leading entertainment venues throughout the US, a media division, and a private investment division. This company owns and manages over 60 million square feet of commercial, hotel, and residential development.

Cordish Private Ventures is part of the non-real estate investment arm of The Cordish Companies. Cordish Private Ventures has been investing in private equity funds and directly in operating companies since 1998 and has demonstrated their ability to source, identify, and gain access to top private investments in the US, a market that is difficult to access for most investors. In particular, it has significant experience successfully investing the Cordish family's capital in small-to-mid sized private investment opportunities. Cordish Private Ventures has focused on seeking superior investment opportunities in emerging growth areas, with a long-term investment horizon. Cordish Private Ventures has sought to invest with private investment fund managers that have not only delivered outstanding financial returns, but have also exhibited high levels of business integrity, and with whom it can develop lasting relationships.

The Fund presents an opportunity to invest alongside Cordish Private Ventures. Access to the experience and networks of Cordish Private Ventures is of great benefit to the Fund given the importance of manager selection in the US private equity market.

With Cordish Private Ventures' investment in the LP and Jonathan Cordish's role on the Advisory Board of the Investment Manager, the Fund expects to leverage this experience to access top performing private fund managers. Additionally, Jonathan Sinex, a Managing Director of Cordish Private Ventures, has been seconded to the Investment Manager and its related entities on a full-time basis and focuses solely on private equity investments for the Investment Manager.

Through Cordish Private Ventures, the experience and relationships developed across Fund I, Fund II, and Fund III, and through executives of the Responsible Entity and the Advisory Board, the Investment Manager believes it has accrued the track record, in-house experience, due diligence capabilities and credibility to source, analyse, invest in, and monitor these private investment funds. It is anticipated that a significant portion of the underlying investments the Fund will make, through the LP, are targeted to be with managers with whom Cordish Private Ventures has previously successfully invested with or with whom the Investment Manager has an established relationship and already engaged in active due diligence. It should be noted that performance of Cordish Private Ventures is not necessarily an indicator of the future performance of the Fund.



## 3. Sector overview

### 3.1 Family offices

Family offices are private investment companies that are typically established to invest and manage the wealth and financial portfolios of individual ultra-wealthy families. Given the complexity of the investment activities and the necessary calibre of the investment teams, the cost of setting up such an office tends to be in excess of \$1 million per annum, making this investment approach prohibitively expensive for most families.

The investment objective of a family office is to create attractive long-term, risk-adjusted returns and to generate consistent income while preserving generational wealth and protecting capital. In order to achieve this objective, families tend to focus on broad diversification beyond public equities and fixed income to include private investments (such as private equity, venture capital and hedge funds), real estate, and commodities. Specifically, there is a bias toward private investments that are difficult to access and are illiquid. Through these investments it is possible to achieve higher risk-adjusted returns as well as diversification due to the low correlation of private investments returns and other asset classes.

Family offices, through their professional investment teams and family members, often have unique access to compelling private ventures and investment opportunities that are beyond the reach of even the most established and respected institutional asset managers and funds.

### 3.2 Private investments

Private investments are primarily in unlisted companies at various stages of their development.

#### 3.2.1 Types of private investments

Depending on the stage of the business and its individual needs, the different types of private investments can be broken down as follows:

##### (i) Venture capital

Venture capital involves investment in start-up and early stage companies, often those engaged in developing cutting-edge technologies and products but without a proven history of generating revenues and profits. Venture capital investments are generally in the form of equity into a business without security and represent a higher risk category of private investments but also offer higher potential returns.

##### (ii) Expansion capital

Expansion capital is used to grow and expand an established company that is capital constrained but has good growth or profit improvement prospects. These companies are usually at or near profitability and have some history of positive cash flow.

##### (iii) Management Buy-Outs (MBO)

MBOs usually involve purchasing an existing mature business, usually alongside management. These businesses typically have a strong history of profits and positive cash flows.

Other types of private investments include:

- Distressed/turnaround: investments in a business with liquidity or solvency problems, often conditional on a business implementing a restructuring program.
- Mezzanine financing: unsecured debt financing provided to companies that are in growth phase but may not have access to equity finance.

All of these private investment types share an opportunistic character, seeking to exploit inefficiencies in the capital markets.

### 3.3 Key characteristics of private investments

Private investments may be made either directly into individual private companies or through pooled investment vehicles (private investment funds) managed by professional investment teams. Key characteristics of the type of private investments to be targeted for the Fund include the following:

#### (a) Expertise

Private investment fund teams typically have expertise across sourcing, identifying and structuring investments and may also bring operating skills such as management, finance, marketing, strategic direction, and M&A in addition to valuable business networks.

#### (b) Control

Many private investments involve taking controlling stakes in companies and, critically, include an active operational role in setting policy and strategy in partnership with management. Board representations and management agreements allow private investment fund managers to be directly involved in the decision-making process of their underlying investment companies as they seek to protect and grow their investment.

#### (c) Alignment of interest

Typically, when a private investment fund invests in a company, the company's management team are also investors in or own equity in the company. This dynamic incentivises the operating management teams and ensures alignment of interest with outside investors. To further align interest, the Fund seeks to partner with private investment funds where the investment team have invested their own personal capital in the fund alongside outside investors.

#### (d) Performance

Cambridge Associates research shows that US buyout fund returns consistently outperform the S&P 500 across five, 10, 15 and 20-year investment horizons<sup>1</sup>. The Responsible Entity believes that the superior returns may partially be driven by private equity's focus on expertise, control and alignment of interest, allowing greater control of investments than traditional passive investment in listed shares.

#### (e) Time horizon of private investments

Investing in private investment funds usually involves making a commitment to invest a specified amount of capital (**Committed Capital**). A small percentage of the Committed Capital is typically required at the start. As the fund makes investments, the manager will then "call" or "draw down" capital as needed. It typically takes up to five years for an individual fund to fully invest its Committed Capital. Individual underlying investments are typically held for a duration of three to five years, but may be held for up to 10 years.

Typically, distributions from private investment funds to their investors only commence three to five years into the fund. Capital is largely returned via distributions from the sale of individual investments and may also be generated from the recapitalisation of investments. Investors may also receive earnings-derived distributions. Given the long hold periods of investments, investing in private investments requires a longer term commitment, typically around 10 years.

#### (f) Uncertain cash flows and illiquidity

Unlike investment in public companies, private investments are generally illiquid and investors do not have access to their capital during the lifetime of the private investment fund, nor can they sell their shares on a liquid capital market. Private investment funds have a specified lifespan and are typically self-liquidating, meaning capital is returned to investors over that time frame.

However, this longer time horizon allows businesses to undertake transformational changes during ownership (including through mergers, acquisitions, store roll-outs, restructuring, etc.) to significantly enhance cash flows and returns within a five to 10-year period.

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<sup>1</sup> Cambridge Associates. The author of this publication has not provided consent to the inclusion of references to this publication and material drawn from this publication in this PDS.

### 3.4 Small and mid-market private investments

#### (a) Size and growth of US middle market

The US middle market, defined as firms with annual revenue from US\$10 million to \$US1 billion, is one of the world's largest markets. Not only is the US middle market substantial, but it has also traditionally been the fastest growing US market segment.

According to data from the US Census Bureau and the National Center for the Middle Market, employment in the US middle market has grown noticeably faster than small and large US business segments over the 1977 to 2017 period. The same trend can be observed when comparing revenue growth between the middle market and S&P 500 companies.

#### (b) Private equity can further enhance growth in middle market companies

Whilst the US middle market has traditionally sustained a higher growth rate with respect to jobs growth and sales than other segments, there is a significant difference between the performance of firms that are backed by private fund investment and those that are not.

From 1998 to 2015, the sales of all US private equity (PE) backed businesses grew by 84%. This compares to 25% growth by non-PE backed businesses. The outperformance of PE-backed businesses was primarily driven by the US middle market PE-backed businesses, which contributed to 78% of sales growth.

#### (c) Sources of returns in middle market investing

In the private investment space, exceptional returns can stem from investing in overlooked companies with superior growth prospects and investing in them at compelling valuations. The Investment Manager believes that the small and mid-market segment has a rich pool of target investment opportunities which tend to exhibit less competitive pricing than investments in larger companies. This creates opportunities for funds in the small and mid-market segment to acquire companies at reasonable or low valuations.

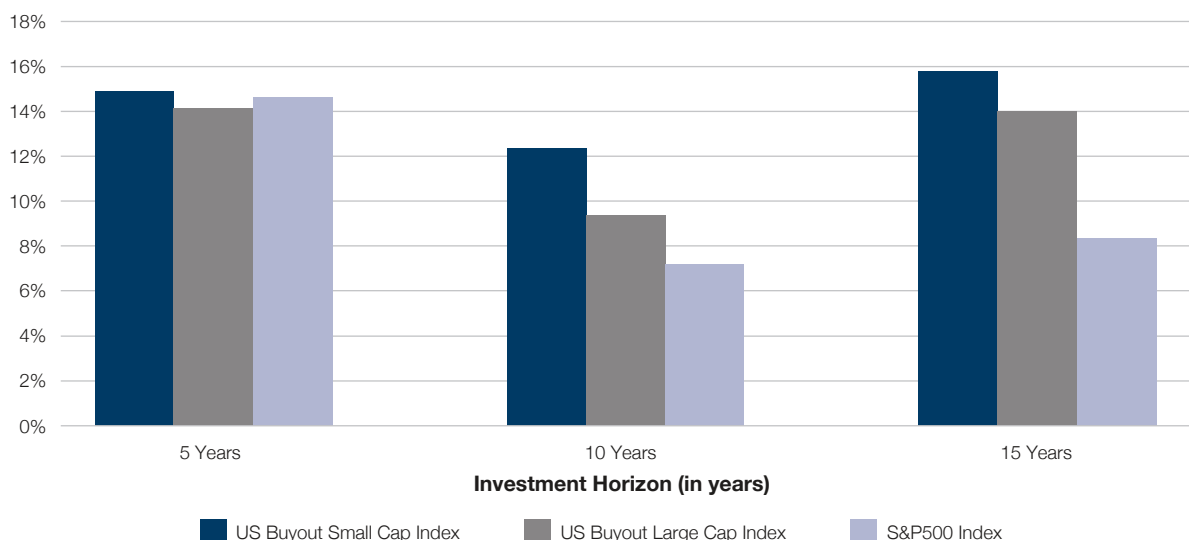
Importantly, companies in the small and mid-market segment, by virtue of their size, are typically nimble and have significant growth opportunities. They have potential to benefit from private investment fund managers' ability to drive operational changes that improve margins and drive revenue growth.

#### (d) Performance of US middle market private equity funds

US private investment funds range in size from tens of millions of dollars in total capital to tens of billions of dollars. The US small and mid-market private investment segment consists of funds that manage less than US\$1 billion of capital and generally target investments in companies with total values of less than US\$300 million.

Funds focused on the small and mid-market segment have historically tended to outperform their larger peers (See Figure 1).

**Figure 1: Small Cap Buyout vs Large Cap Buyout Returns**



Source: Cambridge Associates, Buyout & Growth Equity Index and Selected Benchmark Statistics as at 30 June 2017. Cambridge Associates has not provided consent to the inclusion of data attributed to it in this PDS.

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The Investment Manager estimates that there are currently around 2,800 private investment funds raising capital globally, of which approximately only 139 are in the Fund's target geography, strategy and size.

**(e) Access to small and mid-market private investment funds**

Given the superior performance of small and mid-market private investment funds, these funds tend to experience high demand and have strict access limitations. Access to these funds is typically confined to smaller endowment funds and family offices.

See Section 2 for further information.





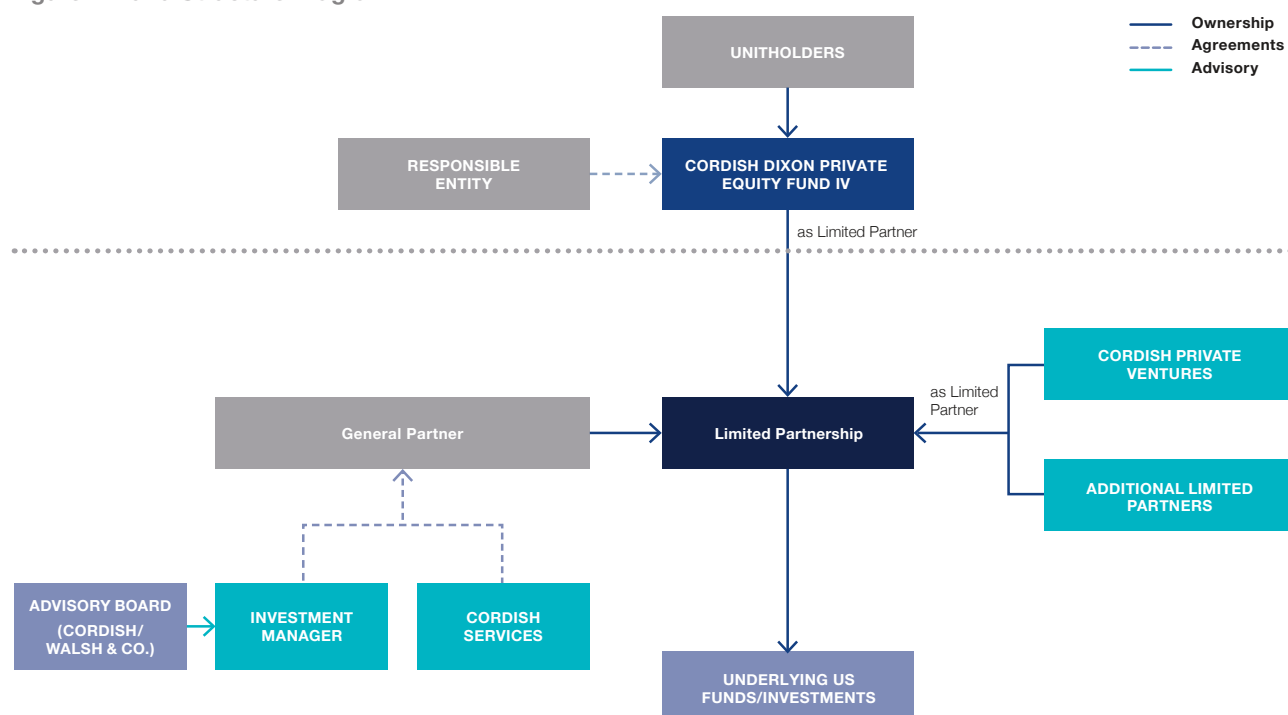
## 4. Fund structure & investment process

### 4.1 Fund Structure

The Fund is registered with ASIC as a managed investment scheme. Unitholders hold Units in the Fund and receive the benefit of income and capital gains generated by the Fund's underlying investments.

Figure 2 below sets out the ownership structure and management arrangements for the Fund.

**Figure 2: Fund Structure Diagram**



#### Responsible Entity

As Responsible Entity, Walsh & Company is responsible for the operation and administration of the Fund, including providing fund management and administrative services to the Fund, such as company secretarial, administrative and operational support services, and investor relations services.

The Responsible Entity is a member of the Evans Dixon Group. Evans Dixon is a significant Australian investment and wealth management business providing services to more than 9,000 clients with funds under advice, execution, and administration of over \$20 billion.

#### General Partner

U.S. Select Private Opportunities Fund IV GP, LLC (**GP**), as sole general partner of the LP, is predominantly responsible for investing and disposing of investments to be made by the LP and hiring external advisors, agents and employees as required. The GP owes fiduciary duties to all limited partners of the LP and as such, it must exercise its responsibilities in the best interests of the LP and promote the LP's purpose and business. The GP is owned by two affiliates of Cordish Private Ventures (57.5% in aggregate) and DGP Inc. (a member of the Evans Dixon Group) (42.5%). All material decisions regarding the operations of the GP require the approval of at least 85% of all members.

See Section 12.4 of this PDS for further information.

### Limited partnership

The Fund, Cordish Private Ventures, the GP, and any Additional Limited Partners, each make capital contributions towards the acquisition of investments by the LP, as directed by the GP. There is no guarantee as to the final size of the LP, however, the maximum value of commitments, including the investment from the Fund, is US\$250 million. Additional parties may join the LP until 30 June 2019 (which may be extended for up to 90 days). Following the application of the proceeds of this Offer (assuming 62.5 million new Units are issued), the size of the LP is expected to be approximately US\$77 million held in the following proportions<sup>2</sup>: the Fund (81%), Cordish Private Ventures (19%), and the GP (0.1%).

See Section 12.1 for further information.

### Investment Manager

The GP has engaged Dixon Asset Management USA, Inc. to act as Investment Manager for the LP. The Investment Manager is a member of the same group as the Responsible Entity. The Investment Manager has discretion to undertake and realise investments for the benefit of the LP as a delegate of the GP but must ensure the fiduciary duty owed by the GP to the LP is not breached. The GP can replace the Investment Manager in its sole discretion.

All investments are subject to the Investment Manager's review and approval. The Investment Manager will have day-to-day portfolio oversight and will provide risk management. The Investment Manager is a member of the Evans Dixon Group.

See Section 12.3 for further information.

### Advisory Board

The Investment Manager has established an Advisory Board to provide it with expert advice, on a non-binding basis, in relation to portfolio and investment strategy, evaluation of investment opportunities and potential disposals, fund administration and other commercial matters for the LP and its limited partners, including the Fund.

### Cordish Services

The GP has engaged Cordish Services to provide office space, utilities and administrative services to it and leverage the expertise of other key Cordish executives to assist in administration of the Fund.

See Section 12.2 for further information.

## 4.2 Investment objectives

The GP and Investment Manager seek to meet the Fund's aim to provide Unitholders with:

- a) exposure to a portfolio of investments in small-to-mid sized private investment funds and privately held companies predominantly focused in the US; and
- b) capital growth over a five to 10-year investment horizon.

Cordish Private Ventures, as a limited partner in the LP, shares these objectives. There is no guarantee that these objectives will be achieved.

The GP and Investment Manager have confirmed to the Responsible Entity that each will exercise its discretion to make investments consistent with the investment strategy of the Fund outlined in Section 4.3 which will employ an investment strategy that seeks to replicate Fund I, Fund II, Fund III, and Cordish Private Venture's investment strategy of focusing on small and mid-market private investment funds.

## 4.3 Investment strategy

The Investment Manager will employ a multi-manager style of investment where capital contributed will be applied to acquire interests in investment vehicles managed by third party fund managers (**Underlying Funds**). By adopting this investment style, the Fund will hold indirect rather than direct investments.

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<sup>2</sup> Assuming a commitment of US\$62 million in the LP from the proceeds of the Offer based on an assumed Australian Dollar/US Dollar exchange rate of 0.78.

The LP will invest in a discrete number of underlying private investment funds, a significant portion of which are targeted to be with investment managers with whom either Cordish Private Ventures has previously successfully invested or with whom the Investment Manager or its related entities have an established relationship and have already engaged in active due diligence. The GP will also invest in companies directly or via a private investment fund established by the GP or its related entity for that purpose. The Investment Manager believes that selecting private investment fund managers that have a sustainable strategy for adding value to their investments is critical to achieving a successful investment strategy.

Within the universe of small-to-mid market private investment funds, the Investment Manager generally seeks to apply the investment strategy common to Fund I, Fund II, Fund III, and Cordish Private Ventures, which involves focus on funds that exhibit the following characteristics:

- a) consistent focus on niche investment opportunities: funds that have expertise in specific industries, geographic region(s) and/or investment strategies typically overlooked by larger funds. This consistency in the Fund's investment strategy allows for specialised expertise to grow over time, enhancing long-term performance;
- b) operating businesses with existing cash flows: core focus on assets with existing proven cash flow and potential for growth;
- c) appropriate size: funds that only seek to manage pools of capital sized appropriately for the opportunities on which they focus;
- d) judicious and limited use of leverage: funds that seek to generate returns through investments in high quality private businesses with limited debt rather than financial engineering through the use of leverage; and
- e) a hands-on approach: funds where all aspects of the fund's investment process is managed directly by senior fund executives who are intricately involved in the operations of the underlying businesses in which they invest.

#### **4.4 Permitted investments**

The LP primarily makes investments by acquiring limited partnership interests in private investment funds although it is permitted to acquire a broad range of investments and has the ability to invest in companies directly.

In addition, the LP may not:

- a) invest more than 25% of the aggregate capital commitment of the LP in any one private investment fund, other than an investment in a company either directly, or indirectly via a private investment fund established by the GP, or related entities, for the purpose of direct investment; the comparable aggregate limit for such direct investments is 33%;
- b) invest more than 15% of the aggregate capital commitment of the LP in any private investment fund whose primary investment objective is to invest in companies located or that conduct their principal business outside of the US; and
- c) invest in any private investment funds whose primary investment objective is to invest in companies located in, or that conduct their principal business, in emerging markets.

While the Investment Manager is identifying suitable investments, or until capital calls are made by the Underlying Funds, the Responsible Entity may elect to hold cash, term deposits and cash equivalents and interests in cash management trusts. Apart from such direct investments, the Fund's investments will be made in its capacity as limited partner in the LP.

The LP's specific investment methodologies may be altered, however, without prior approval by the limited partners, if the GP determines that such change is in the best interest of the LP and is consistent with the LP's objectives or purposes. The GP may modify the LP's specific investment methodologies without prior approval if the GP determines that the modification is in the LP's best interest and remains consistent with its objectives and purposes.

#### **4.5 Investment term**

The Fund does not have a set investment term; however, because of the nature of the underlying investments in private investment funds, investors are cautioned that an investment in the Fund should be viewed as long-term.

An investment horizon of less than 10 years in the Fund may not provide sufficient opportunity for an increase in the value of underlying investments of the Fund.

In limited circumstances, the Fund may be required to exit the LP early. For further information see Sections 12.1 and 12.4.

## 4.6 Investment process

The Responsible Entity believes the key to achieving superior returns in private investment funds lies in the capabilities and performance of the management teams of these funds. The selection of these managers is of critical importance and the in-depth analysis of each potential investment opportunity involves a series of steps that evolve into a judgement about the manager.

The Investment Manager will employ a six-stage investment process when investing the LP's capital in private investment opportunities as illustrated below.

### Step 1: Market review

The investment process begins with a review of the market, involving identification of small-to-mid market private investment fund managers that are raising money and the timing of their fund raising. Private investment market analysts estimate there have been approximately 758 small-to-mid market private equity funds created by experienced US private investment managers since 2010 with assets under management of less than US\$750 million, which forms the initial set of investable opportunities for the LP.

### Step 2: Preliminary evaluation

During the preliminary screening, the Investment Manager will apply its four broad investment criteria:

- a) fit with the Fund's investment strategy and target investment characteristics as listed in Section 4.3 (that is, focused investment strategy on niche opportunities, operating businesses with existing cash flows, appropriate fund size, limited use of leverage and a hands-on approach by senior fund executives);
- b) performance record of the private investment fund manager and any previous experience of the Investment Manager or Cordish Private Venture with them;
- c) strength of the management team of the fund including skills and experience in executing their strategy, and motivation and commitment of key people; and
- d) structure of the private investment fund and fit with the Fund's desire to maximise after-tax returns.

This step is designed to provide a shortlist of investment opportunities so the focus is only on high quality, smaller niche funds. Despite a smaller universe of shortlisted funds, the opportunity set remains sufficiently large.

### Step 3: Due diligence

Once a private investment opportunity is shortlisted, comprehensive due diligence is undertaken on the potential investment. As part of the process, particular attention is given to:

- a) management team expertise, including their track record in private equity investments and experience as business operators;
- b) quality of the fund's business model, including business plans, financial analysis and appropriateness of proposed management fees;
- c) ability to support future investments and provide assistance in company growth – value-adding strategies;
- d) investment sourcing and structuring experience;
- e) reporting and investment validation processes; and
- f) exit experience and strategy.

The Investment Manager's focus on the track record of the private investment fund manager means that a large amount of time will be spent discussing the sourcing of their investment opportunities and understanding their individual investee company experience and the role of the manager in the growth of the business.

### Step 4: Deliberation and decision

When the due diligence review has been completed and the investment opportunity has passed all the relevant criteria, the investment opportunity is considered in the context of the LP's portfolio and investment strategy, and a decision to invest is made subject to final negotiation of investment documentation.

## Step 5: Investment

As part of the investment process, the Investment Manager may negotiate specific terms with the private investment fund manager and structure its holding in the opportunity accordingly.

## Step 6: Monitor investments

Part of the ongoing investment process is to monitor all investments and foster a close involvement with the private investment fund managers through regular visits and investment updates throughout the term of the investment. Once a commitment is made, the Investment Manager will remain apprised of the fund's investment activities, the overall risk levels of the fund, ongoing integrity of the fund manager's investment strategy, staff turnover and market environment.

## 4.7 Initial investments

The LP has committed to two underlying investment funds being;

- US\$10 million commitment to Trivest Fund VI, L.P., representing approximately 13% of this approximately US\$77 million fund; and
- US\$10 million commitment to Elephant Partners Fund II, LP, representing approximately 13% of this US\$77<sup>3</sup> million fund.

Further investments of the Fund, through the LP, will depend on prevailing market conditions and available investment opportunities following the Fund's successful fund raising. Due to the dynamic nature of the private investments market, an accurate indication of the Fund's additional investments cannot be given as at the date of this PDS. However, the investments will be consistent with the investment objectives and guidelines of the LP and, subject to the investment restrictions (see Section 4.4), the underlying investments may be in any sector or region. However, the focus is expected to be on funds investing in US based operating businesses.

### Trivest Fund VI, L.P.

The LP has committed US\$10 million to invest in Trivest Fund VI, L.P. Trivest Fund VI is a new fund established by Trivest Partners in 2017, with approximately US\$600 million of commitments.

Trivest is a leading private investment firm founded in 1981 focused on partnering with well-run family or founder-owned, scalable, growing businesses in the US and Canada.

Trivest focuses on the lower middle-market in manufacturing, value-added distribution, business services and consumer sectors. Trivest invests alongside owners of family/entrepreneur-led growing businesses at value oriented prices

The Investment Manager and its related entities have familiarity with Trivest, with Fund I having invested in Trivest Fund V, L.P. previously.

### Elephant Partners Fund II, LP

The LP has committed US\$10 million to invest in Elephant Partners Fund II, L.P.

Elephant Partners is a Boston, Massachusetts based firm focused on investment in technology focused, growth stage businesses. The firm was co-founded by Jeremiah Daly and Andrew Hunt, both previously from Highland Capital Partners.

The Investment Manager and its related entities have familiarity with Elephant Partners, with Fund III having invested in Elephant Partners Fund I, LP previously.

## 4.8 Ethical considerations

The Investment Manager's investment decisions in respect of the LP (in which the Fund has an interest as a limited partner) are primarily based on economic factors, and they do not specifically take into account labour standards or environmental, social or ethical considerations in the selection, retention, or realisation of investments.

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<sup>3</sup> Assuming a commitment of US\$62 million in the LP from the proceeds of the Offer based on an assumed Australian Dollar/US Dollar exchange rate of 0.78. See Section 4.1 for further information.



## 5. The Offer

### 5.1 The Offer

The Offer comprises an offer of up to 62.5 million Units at a price per Unit of \$1.60 to raise \$100 million, with the ability to raise an additional \$100 million through oversubscriptions.

To participate in the Offer, your Application Form must be received by 5:00pm (AEDT) on the Offer Closing Date. The Offer Closing Date may be brought forward by the Responsible Entity. If the Offer Closing Date is brought forward, only Application Forms lodged by that time will be considered by the Responsible Entity.

The Offer is only available to investors who have a permanent address in Australia at the time they accept the Offer.

The proceeds of the Offer will be used to invest in US small-to-mid sized private investment funds consistent with the investment strategy of the Fund, noting that investors will have exposure to the LP's underlying investments.

### 5.2 Partly paid Units

All Units will have an initial value of \$1.60 and will be partly paid. The First Instalment of the Units is \$0.32 payable on Application. The Responsible Entity will make further calls on these Units as and when necessary to fund its underlying investments.

Unitholders will receive a call notice, and will be given at least 10 Business Days to pay calls to the Fund. Where a Unitholder has failed to pay its called amount, the Responsible Entity may provide 5 Business Days' notice to the Unitholder to pay. If the Unitholder has not paid after 5 Business Days, the Unit may be forfeited. The Responsible Entity then has the ability to sell the forfeited Units on or off market. The Responsible Entity may sell these Units as fully paid units or partly paid Units.

The Unitholder may be liable to pay interest costs and expenses incurred by the Responsible Entity as a result of its default. The costs of default may be deducted from the proceeds returned to the defaulting Unitholder. For further information see Section 13.

### 5.3 No cooling-off period

Assuming you are investing directly in the Fund, and not through an investor directed portfolio service such as a platform, you have a 14 day cooling off period during which time you may request in writing that the Responsible Entity provide you with a refund. This "cooling off right" allows you to have your money repaid after any adjustments for market movements, transaction costs, and taxes (if any). The amount repaid to you under the cooling off provisions may be less than the amount you invested. You can exercise your right by writing to us within 14 days commencing on the earlier of the date you receive confirmation of your investment or the end of the fifth business day after the day on which units were issued to you. The right terminates immediately if you exercise a power or right under the terms of the Fund such as selling part of your investment.

### 5.4 Liquidity, redemptions and transfers

Once Units have been issued under the Offer, investments in the Fund should be considered illiquid. The Fund will not have an ongoing or periodic redemption facility.

The Responsible Entity retains the right, but has no obligation, to provide liquidity to Investors and if it decides to do so, it will notify Investors and advise them of its policy for redemptions or withdrawals, which will be subject to the Fund's constitution and the Corporations Act.

Investors may be able to exit the Fund by transferring their Units to a third party. Please note there is no ready market for transfers of Units and there is no guarantee that Investors may find a purchaser for their Unit holding. The Fund's Constitution provides that all transfers of Units must, among other things, be in a form approved by the Responsible Entity and will only be effective upon entry into the register of Unitholders. Notably, the Responsible Entity may refuse to record any transfer in the register without giving any reason for the refusal.



## 6. Risks

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

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

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

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

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

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

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

### 6.1 Specific investment risks to the Fund

#### a) Investment performance risk

There is a risk that underlying investment managers may be unable to secure appropriate investments or realise existing investments in a manner that will generate acceptable returns for investors (such as the Fund).

None of the Fund, Responsible Entity, GP, Investment Manager or any other person gives a guarantee regarding the amount of income, distribution or capital return of Units or the performance of the Fund, nor do they guarantee the repayment of capital.

#### b) Private investments risk

The Fund's private investments provide exposure to small-to-mid-sized companies where business activities, systems and processes may be less developed and/or diversified than at larger companies and so present higher risks. Leverage may be utilised which increases financial risk. The underlying fund managers, when actively managing their fund's investments, may utilise financial and operational strategies (including making and integrating acquisitions) to more rapidly drive growth. These investment strategies may increase the potential for loss of capital and may result in greater operational and financial variability. Private investments may also take a relatively long time to become profitable. Given these characteristics, the private investments asset class should be considered a higher risk asset class than traditional equities. Investments in this asset class should be considered a long-term investment.

#### c) Unlisted underlying investments risk

The underlying investments of private investment funds are typically in unlisted investments. The underlying investments of private investment funds are not commonly traded amongst investors. As a result, there may be no open market to establish an independent value for certain investments and no assurance that a determination of fair value will be obtainable in the market or that there will be a market for the sale of unlisted investments.

Individual investments made by private investment funds are typically held for a duration of three to five years, but some investments can be held for up to 10 years. The majority of any gains from these investments will typically only be realised when they are sold. There can be no certainty that any gain on an investment will be realised by the investment fund.

It is generally the responsibility of the underlying fund managers to determine the value of each underlying investment in their portfolios. In the absence of any liquid trading market for these types of investments it may take longer to liquidate these investments than would be the case for marketable securities. Accordingly, the value obtained on realisation may differ materially to the estimated values determined by the underlying fund managers. Should the realisable value of the underlying investments differ materially to the underlying fund manager's valuation, or should there be a material change in the underlying fund manager's valuation, this may affect the Fund's performance and may result in increased Unit net tangible asset value volatility.

#### **d) Partly paid units**

Units under the Offer will be issued on a partly paid basis. In the event that Unitholders fail to meet their obligations with respect to payment of the capital calls as and when due, Unitholders' Units may be forfeited. Unitholders may not receive all of their paid-up capital back and may be liable for any called and unpaid amounts and associated costs.

In the event that Unitholders fail to pay the subsequent capital calls including the final instalment, and the Responsible Entity is unable to sell all forfeited Units or obtain a sufficient price, there is a risk that the Fund will have insufficient funds available to meet its obligations. This could result in a default in payments to the LP. See Section 6.2.

The Responsible Entity may explore options to mitigate this risk, which may include active capital management to meet upcoming capital calls and/or involve short-term borrowings to fund the Fund's capital call payment to the LP. See Sections 6.1(P) and 13.7 for further information.

#### **e) Investment exit risk**

Interests in private investment funds are typically not frequently traded among investors. Such investments usually carry no entitlement for investors to withdraw from or otherwise realise their investment in underlying funds except at the discretion of the relevant fund manager. The Fund, GP, and the Investment Manager can exercise no control over the decisions of the underlying fund managers. Accordingly, the Fund may not be able to readily realise its investment in underlying funds.

#### **f) Foreign exchange risk**

The Fund's investments are focused in the US small-to-mid-sized private investment segment through the Fund's investment in the LP. The assets and liabilities of the LP and its controlled entities are denominated in US dollars. The value of the Units will be affected by increases and decreases in the value of the US dollar relative to the Australian dollar. This will affect the value, in Australian dollars, whenever any of LP's income or capital is distributed to the Fund or the value of the Fund's net assets is calculated. An increase in the value of the US dollar against the Australian dollar will mean the distributions from the LP and the value of the LP's investments less any liabilities will be worth more when converted into Australian dollars, but if the value of the US dollar falls those distributions and investments will be worth less in Australian dollar terms.

The performance fee calculation under the LP Agreement is in US dollars. The impact on Unitholders may be affected by a positive or negative movement in the prevailing Australian Dollar/US Dollar exchange rate.

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

#### **g) Investment horizon and default risk**

Investing in private investments requires a longer term commitment to the asset class, typically five to 10 years, and this will mean that realisation of value through capital growth may be similarly timed. The ability for the Fund to exit the LP is extremely limited during its life (a maximum of 16 years). The LP Agreement will permit the GP to require any limited partner to withdraw from the LP if the GP determines that the continued participation of that limited partner would adversely affect the LP or the GP. Other than a limited partner who is required to withdraw following a default on its obligation to pay capital contributions, a withdrawing limited partner will receive 90% of its capital account on exit with 10% balance payable on completion of the subsequent audit. This provision could result in the Fund being forced to exit from the LP before there has been a liquidity or other event resulting in a capital appreciation of the underlying investments of the LP. A related body corporate of Walsh & Company holds a 42.5% interest in the GP and has the capacity to veto major decisions to be undertaken by the GP. The GP may cease to be a related body corporate of the Responsible Entity in the future. If a

limited partner defaults on its obligation to pay capital contributions, the GP may exercise a range of remedies under the LP Agreement and at law, including charging a default fee of 25% of the limited partner's capital account, charging interest, and not allocating income to that limited partner. The GP may also require the limited partner to sell their interest.

See Sections 12.1 and 12.4 for further information.

In addition, a longer time horizon increases the risk of exposure to market volatility.

#### **h) Key personnel risk**

There is a risk that the departure of key staff that have particular expertise in funds and private equity investments, whether they are the staff of the Fund, Responsible Entity, the GP, Cordish Private Ventures, Investment Manager or the underlying fund managers, may have an adverse effect on the earnings and value of the Fund.

#### **i) No direct supervision of investments risk**

The GP acts as general partner of the LP. As a general partner, the GP is responsible for managing the business of the LP on behalf of all limited partners. The relationship between the GP and the limited partners of the LP (including the Fund) is regulated by the LP Agreement. The GP has engaged the Investment Manager to act as investment manager with discretion to undertake and realise investments for the benefit of the LP as a delegate of the GP. While the GP is owned by DGP Inc. (a member of the same group as Walsh & Company) as to 42.5% and two affiliates of Cordish Private Ventures as to 57.5% in aggregate, under Cayman Islands law, a limited partner will lose the benefit of limited liability if it becomes actively involved in management of the limited partnership. Accordingly, while the Responsible Entity may be consulted on investments that are inconsistent with the investment strategy agreed with the GP and Investment Manager, it does not have the ability to give directions regarding investments. This will continue irrespective of whether there is a change in the responsible entity of the Fund.

The LP Agreement can be amended with written consent from limited partners holding more than 50% of the capital contributions to the LP and the GP will not make any material changes to the LP's objectives or purposes without the approval of at least 75% of the capital contributions held by the GP. In the event that the Fund holds an interest in less than 50% of the capital contributions to the LP, there is a risk that the LP Agreement could be amended without the Responsible Entity's consent. Any such changes may be adverse to the interests of the Fund, for example, a change to allow further Additional Limited Partners (resulting in dilution of the Fund's interest in the LP). Consent of limited partners is required for amendments to increase capital commitment beyond the amount agreed in writing by the partner or increase fee arrangements with respect to a limited partner without the prior written consent of the affected limited partner. There are also other provisions in the LP Agreement that require unanimous approval of the limited partners before the LP Agreement can be amended. Any amendments would also require the GP's approval. A related body corporate of Walsh & Company holds a 42.5% interest in the GP and has the capacity to veto major decisions to be undertaken by the GP. See Section 12 for further information. The GP may cease to be a related body corporate of the Responsible Entity in the future. The LP's specific investment methodologies may be altered by the GP without prior approval of the limited partners, if the GP determines that such change is in the best interest of the LP and is consistent with the LP's objectives or purposes.

The Investment Manager has confirmed to the Responsible Entity that it will exercise its discretion as investment manager and the GP has confirmed to the Responsible Entity that it will exercise its discretion as general partner of the LP to make investments consistent with the investment strategy of the Fund outlined in this PDS.

#### **j) Taxation risk**

Depending on the characterisation of the Fund's direct and indirect investments for US federal income tax purposes, all or a portion of the income therefrom may be subject to US federal income tax.

The Fund may be liable to pay US withholding tax at a maximum rate of 30% (subject to reduction pursuant to the Double Tax Treaty for certain qualified tax residents and other exceptions) on certain income. Alternatively, if the Fund is treated as directly or indirectly engaged in a US trade or business for US federal income tax purposes, the Fund may be required to file a US federal corporate income tax return and to pay US federal income tax on a net basis at the same rates that are generally applicable to US corporations in respect of its share of effectively connected income derived from that trade or business. In addition, if the Fund were treated as being engaged in a US trade or business, the Fund may also be required to pay an additional tax equal to 30% of the "dividend equivalent amount" (as defined in Section 10 (US taxation advice, paragraph (b)(i)) for these purposes) for the taxable year, subject to any reduction pursuant to the Double Tax Treaty.

It should be noted that any changes to the taxation laws in Australia, the Cayman Islands and/or the US, may affect the tax treatment of the Fund and result in taxation consequences that are adverse for the Fund or Unitholders.

Any tax liability incurred by the Fund generally could reduce the Fund's overall economic returns and materially reduce the amount available for ultimate distribution to Investors. See Section 10 for a discussion of certain material US income tax considerations. Prospective Unitholders should consult their own tax advisors regarding the US federal income tax consequences of investing in, holding and disposing of Units in the Fund.

Also refer to 6.3(E) for general taxation risks.

#### **k) Distributions risk**

Distributions from the underlying private investment funds, and in-turn the LP, are expected to be primarily funded from the realisation of underlying investments, as opposed to being income based. Consequently, Fund distributions are expected to occur at irregular intervals and be of varying amounts.

#### **l) Capital deployment**

The Fund may receive new funds which at the time may be uncommitted to any specific private investment fund. The rate at which this occurs will depend on market conditions and the availability of suitable investments on sufficiently attractive terms at the time. There is a risk that the GP may not be able to make these investments in a timely fashion or at all, which will affect the future performance of the Fund.

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

Investment returns may also be affected by the time it takes the underlying funds to identify attractive investments and deploy capital. The partly paid nature of the Units is expected to alleviate risks associated with the deployment of capital.

#### **m) Potential for increased costs**

The GP is entitled to receive a management fee equal to 1.00% per annum of the aggregate capital commitments made by the limited partners to the LP.

The Investment Manager will invest on behalf of the LP in private investment funds as delegate of the GP. These underlying fund managers are also entitled to receive fees associated with performance of their management function. These fees may include entry fees, transaction fees, exit fees, ongoing management fees, and performance fees. The Fund is directly or indirectly responsible for payment of those fees. The multi-manager style of investment may result in the Fund paying a higher level of fees than if the Fund could invest directly in the assets held by the underlying funds because fees are payable at two separate levels of management.

The Fund considers that the benefits associated with a multi-manager style of investment to outweigh the potential for higher fees. These benefits include access to the underlying funds specialist investment expertise and diversification. In addition, the Fund considers the scale of investment to be undertaken by the LP in underlying funds may provide the Investment Manager with an opportunity to negotiate with individual fund managers to reduce such fees.

#### **n) Concentration risk**

The Fund may invest in a relatively small number of investments (although no investments may be more than 25% of the aggregate capital commitment of the LP other than an investment in a company either directly, or indirectly via a private investment fund established by the GP, or related entities, for the purpose of direct investment; the comparable aggregate limit for such direct investments is 33%), and as such, concentrations in sectors, countries, or other groupings are more likely to arise. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the Fund than if more diverse investments were made.

#### **o) Counterparty risk**

There is a risk that counterparties to agreements with the Fund or the GP (including the Investment Manager or affiliates of Cordish Private Ventures) and underlying managers in whom the Fund has invested do not perform their obligations, which may affect the value of, and returns from, an investment in the Fund. The Fund seeks to reduce these risks by engaging only with reputable parties.

The Fund will be operated as a multi-manager fund, and positions in underlying funds will be minority positions only. The Fund will not be in a position to disclose information to investors regarding such underlying investments until that investment has been made and the information provided to Investors will depend on the nature of the underlying fund and its reporting structure.

#### **p) Borrowing interest rate and deposit risk**

The Fund's policy is not to undertake borrowings, however, circumstances may occur whereby borrowing by the Fund is deemed beneficial and, should this eventuate, the Fund may borrow. The Responsible Entity intends that any borrowings will be limited to 10% of the total assets of the Fund. There is a risk that any loan will need to be repaid at short notice or cannot be replaced post expiry. The main reason for this would be if the Fund breached its obligations to the lender or a new facility was not made available in a timely way. The Fund may need to sell holdings in its investments if a new facility could not be secured. This could be at a less than favourable time and/or terms. The Fund would explore obtaining replacement loans, but this may prove more difficult in some circumstances. There is also a risk that the provider of any loan may not meet its obligations or may suffer financial difficulty. The Fund will endeavour to borrow only from reputable large financial institutions to minimise this risk.

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

The Fund will manage these borrowing risks by following strict investment and risk guidelines and dealing with respected lenders. It is important to note that borrowing may increase the potential return of the Fund but may also increase its potential losses.

The Fund and LP may also have US dollar-denominated cash deposits. These cash deposits will not be insured and in the event of bank failure, the Fund's deposits may not be recoverable in full, which will have an adverse effect on the value and investment activity of the Fund. The Fund manages this deposit risk by only dealing with financial institutions that pass its rigorous due diligence process and credit risk analysis.

## **6.2 Specific investment risks to the Limited Partnership**

#### **a) Failure to meet capital calls**

A limited partner may fail to meet capital calls. Where any limited partner fails to meet a capital call, that limited partner will be subject to the terms of the LP Agreement that lead to, among other things, dilution of the relevant limited partner's interest in the LP.

If the LP were to fail to meet capital calls from the underlying funds in a timely manner, the LP may be subject to penalties.

#### **b) Cordish ability to assist in securing investments**

The Investment Manager is a member of the Evans Dixon Group. It receives the full-time services of Jonathan Sinex, a Principal of Cordish Private Ventures, and the support of members of the Advisory Board, including Jonathan Cordish, who have experience in investing in private investment funds using a style similar to that proposed for the Fund. However, the role of the Advisory Board is advisory only and has no authority to bind the Investment Manager. The Cordish representatives have committed to serving on the Advisory Board for a minimum of five years (since inception of the LP), but there is no certainty that the support of the Cordish representatives will be retained for the duration of the Fund.

Additionally, Cordish Services has entered into an administrative services agreement with the GP, but the services to be provided do not include investment management services. See Section 12.2 for details.

While it is anticipated that the investment by Cordish Private Ventures in the LP and the involvement of its affiliates and staff will assist the Investment Manager in securing access to private investment funds for investment, there can be no certainty that this will eventuate.

#### **c) Further commitments to the LP**

Under the LP agreement additional parties may join the LP until 30 June 2019 (which may be extended for up to 90 days), by contributing an amount that equalises the contributed percentage of capital committed by each limited partner, plus a cost of carry rate equal to the WSJ Prime Rate, plus the management fee that would have been charged over the period from the Fund's initial investment in the LP.

There is no guarantee as to the final size of the LP, however, the maximum value of commitments to the LP is US\$250 million (including investments by the Fund). Further entrants to the LP would reduce the Fund's percentage interest in the LP.

Additional Limited Partners may be offered more favourable terms than the Fund, including rebates or other fee reduction mechanisms.

The primary intended use of proceeds from this raising will be a capital commitment to the LP, which will in-turn set the Fund's percentage interest in the LP and hence reduce this risk.

#### **d) Interests of members of gp and limited partners may not align**

Two US companies that are affiliates of Cordish Private Ventures are shareholders in the GP and Cordish Private Ventures is also one of the limited partners. An entity in the same group as Walsh & Company is also a member in the GP. Though the GP will manage and promote the LP's purpose and business on behalf of all limited partners, there is the potential for a conflict to arise between the interests of the Fund (as a limited partner) and Cordish Private Ventures and its affiliates and/or Walsh & Company and its related entities. There are processes in place to address any such conflicts of interest.

### **6.3 General investment risks**

#### **a) Unit liquidity risk**

Investors have no rights to withdraw from the Fund, unless the Responsible Entity makes a withdrawal offer. The Responsible Entity does not currently intend to make any withdrawal offers. As a result, investors will have limited opportunity to realise their investment in the Fund as there is unlikely to be a ready market for selling Units.

The Responsible Entity considers an investment in the Fund to be a long-term investment. Potential Investors should only invest in the Fund if they are willing to adopt a long-term investment approach.

The Fund does not have a fixed term, but the Responsible Entity expects that the Fund's investment term will be up to 10 years. It is important that investors understand that if they invest in Units they have no right to exit the Fund, and to receive the proceeds of redemption or a return of capital, at any time. In particular investors should have no expectation of an exit right after 10 years and should not invest in Units if a longer, potentially significantly longer, investment term of the Fund, the illiquidity of the Units or no exit rights is not suitable for them.

Once the partly paid Units are fully paid, the Responsible Entity may seek to publicly list the Fund in order to provide liquidity.

#### **b) Macroeconomic risks**

The US private investments industry is sensitive to factors including macroeconomic changes and credit market and equity market conditions. Additionally changes in, but not limited to, the US or international technological, political or regulatory environment can have a negative or positive impact on asset values.

A number of US economic risks regarding an investment in the US private investments market, without limitation, include:

- a downturn in the US economy that may place downward pressure on investment returns achievable in the marketplace and future capital growth prospects;
- US interest rate fluctuations, which may impact on performance of underlying investments; and
- any other factor which may impede the recovery of the US, and specifically, the US private investments market.

As a result, no guarantee can be given in respect of the future earnings of the Fund or the earnings and capital appreciation of the Fund's portfolio. The Fund will always try to minimise these risks by drawing on the experience of the Responsible Entity and the Investment Manager as well as leveraging its contacts and research in the marketplace.

#### **c) Fund risk**

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

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

#### **d) Regulatory risk**

Changes in government legislation, regulation and policy may affect future earnings and values of investments. Changes in accounting standards may affect the reported earnings and financial position of the Fund in future financial periods.

Changes to US specific regulations governing the private investment sector may also impact the Fund and or its asset values.

The GP and Cordish Services are not registered as investment advisors and so are not subject to regulatory supervision in relation to the business activities they undertake for the benefit of the limited partners (including the Fund).

The Investment Manager is a registered investment advisor with the US Securities and Exchange Commission.

#### **e) Taxation risk**

A general summary of certain Australian and US taxation consequences for certain investors is provided at Section 10. It is a general summary only and is not intended to provide specific tax advice to any particular Investor.

Investors should seek their own independent tax advice based on their specific circumstances before making a decision to invest in the Fund.

It should be noted that any changes to the taxation laws in Australia, the Cayman Islands, and/or the US may affect the tax treatment of the Fund and result in taxation consequences for Investors that are different to that described in the taxation summary contained in Section 10.

#### **f) Litigation risk**

In the course of its operations, the Fund, the Investment Manager, the GP, Cordish Private Ventures, and/or LP may be involved in disputes and litigation. The extent of such disputes and litigation cannot be ascertained at this time, but there are risks that costly disputes or litigation may adversely affect the profitability of the Fund, value of its assets or market price of the Units.

#### **g) Force majeure**

Force majeure is the term generally used to refer to an event beyond the control of any party, including acts of God, fire, floods, earthquakes, wars and strikes. These events may affect returns to investors.

### **6.4 Investor considerations**

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

There may be tax implications arising from the application for Units, the receipt of distributions from the Fund and on the disposal of Units. Applicants should carefully consider these tax implications, including as disclosed in Section 10 of this PDS, and obtain advice from an accountant or other professional tax advisor in relation to the application of tax legislation.

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



## 7. Fees and costs

### DID YOU KNOW?

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

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

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

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

### TO FIND OUT MORE

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

This document shows fees and costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment, or from the assets of the Fund as a whole.

Taxes are set out in Section 10 of this PDS.

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

### 7.1 Fees and costs

**TABLE 1: CORDISH DIXON PRIVATE EQUITY FUND IV FEES AND COSTS**

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
MANAGEMENT COSTS – THE FEES AND COSTS FOR MANAGING YOUR INVESTMENT		
INITIAL COSTS		
<b>Structuring fee</b> The fee for structuring of the Offer.	1.50% of the gross proceeds of the Offer plus the net amount of GST of 0.0375% (totalling 1.5375% <sup>1</sup> ).	This fee is charged by the Responsible Entity out of the Fund on the date of issue of the Units under the Offer and will be used to meet the expenses of the Offer. This payment may be distributed to related bodies corporate of the Responsible Entity.
<b>HANDLING FEE</b> The fee for handling and arranging Applications for the Offer.	1.50% of the gross proceeds of the Offer plus the amount of GST of 0.1500% (totalling 1.6500%).	This fee is paid as each Applicant for Units directs, from the applications trust account to the relevant Licensee, for services provided to the applicant in respect of their subscription for Units in the Fund under the Offer.
ONGOING COSTS OF THE FUND <sup>2</sup>		
<b>Responsible Entity fee</b> The fee for operating the Fund.	0.08% per annum of the gross asset value of the Fund plus the net amount of GST of 0.0036% (totalling 0.0836% <sup>1,3</sup> ). This fee is estimated to amount to 0.0931% <sup>1,4</sup> per annum of the NAV <sup>4</sup> of the Fund.	This fee is payable monthly to the Responsible Entity out of the Fund.
<b>Administration fee</b> The fee for the administration of the Fund.	0.25% per annum of the gross asset value of the Fund plus the net amount of GST of 0.0113% (totalling 0.2613% <sup>1,3</sup> ). This fee is estimated to amount to 0.2908% <sup>1,4</sup> per annum of the NAV <sup>4</sup> of the Fund.	This fee is payable monthly to the Responsible Entity out of the Fund.
<b>GP fee</b> The fee for management of the LP.	1.00% <sup>5</sup> per annum of the capital called by the LP. This fee is estimated to amount to 0.8873% <sup>5,6</sup> per annum of the NAV <sup>4</sup> of the Fund.	This fee is charged on the capital called by the LP. The fee is payable quarterly to the GP out of the LP.
<b>Underlying fund manager fees and expenses</b> The fee and expenses for management of the underlying funds.	Estimated weighted average underlying fund manager fees and expenses in the first year post Offer of 0.5875% <sup>5,6,7</sup> per annum of the capital called by the LP to underlying funds, or 1.1521% <sup>5,6,7</sup> per annum of the NAV <sup>4</sup> of the Fund.	The fees and expenses are charged directly out of the assets of the LP or indirectly from the underlying funds. This will depend on the fee structure of the underlying funds.
<b>Performance fee</b> The fee based on the performance of the Fund.	10% of the return achieved by the LP above a hurdle rate equal to a cumulative, non-compounded pre-tax return of 8% per annum on all capital contributed to the LP (and not yet returned by distribution to limited partners). The hurdle rate references are to the LP, and not at the Fund level, and is denominated in US dollars.	The performance fee will only be paid following the LP's actual receipt of invested capital and once a cumulative, non-compounded investment return equal to the hurdle rate referred to in the left column is achieved, through distribution of income and capital by the LP.
OTHER EXPENSES		
<b>Other expenses of the Fund</b> The fees and costs associated with the operation and administration of the Fund and its investments that are paid by the Responsible Entity including, but not limited to, registry, tax, custodian and audit fees.	Estimated to be 0.4914% <sup>1</sup> per annum of the NAV <sup>4</sup> .	These expenses are payable out of the Fund.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Other expenses of the LP</b> The fees and costs associated with the operation and administration of the LP.	Estimated at 0.0900% <sup>5,6</sup> per annum of total funds committed to the LP or 0.0799% <sup>5,6</sup> per annum of the NAV <sup>4</sup> of the Fund.	These expenses are payable out of the LP.
SERVICE FEES		
<b>Switching fee</b> The fee charged for changing investment options.	Nil	Not applicable

1. These amounts include the net amount of GST, as it is anticipated that the Fund may be able to recover between 55% and 75% of the GST component of fees charged to it, whether under the reduced credit acquisition provisions of the GST Act or otherwise. (See "GST and tax" under the heading "Additional Explanation of Fees and Costs"). See Section 7.2(A) for the meaning of "gross proceeds of the Offer".
2. The amount of these fees may be different if agreed with a wholesale client.
3. These fees are stated based on gross asset value of the Fund, plus uncalled amounts on the Units, to reflect the Constitution. See Section 7.2 for further information.
4. Estimated based on a capital raising of \$100 million, with the First Instalment of \$0.32 payable on Application and a subsequent instalment of \$0.32 (20% of the Application Price) in the first year. As such, the Net Asset Value of the Fund is calculated on a weighted average NAV for a period of 12 months from this Offer.
5. Exclusive of GST, it is anticipated that the Fund may be able to recover 100% of the GST component of fees charged to it as all investments are made offshore. (See "GST and tax" under the heading "Additional Explanation of Fees and Costs").
6. Assumes a commitment of US\$62 million in the LP from the proceeds of the Offer based on an assumed Australian Dollar/US Dollar exchange rate of 0.78.
7. These fees and expenses are based on a weighted average management fee of 2% plus expenses, assuming 33% of the LP's funds will be committed to underlying funds by the end of 12 months from this Offer.

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

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

EXAMPLE – the Fund	AMOUNT <sup>1</sup>	BALANCE OF \$50,000
<b>CONTRIBUTION FEES</b>	Nil	Not applicable.
<b>PLUS management costs</b>	2.9946% <sup>3</sup>	AND, for every \$50,000 you have in the Fund, you will be charged \$1,497.30 <sup>3</sup> each year.
<b>EQUALS cost of Fund</b>	2.9946% <sup>3</sup>	If you had an initial investment of \$50,000 during a year, you would be charged fees for that year of \$1,497.30 <sup>2,3</sup> .

1. The fees in Table 3 are inclusive of GST and net of RITC where applicable. Please see Table 4 for a further breakdown and explanation of the management costs percentage and the assumed GST recovery amounts in Table 3.
2. A Handling Fee of 1.50% plus the net amount of GST of 0.1500% (totalling 1.6500%) and a Structuring Fee 1.50% plus the net amount of GST of 0.0375% (totalling 1.5375%) of the gross proceeds of the Offer will be payable. The Handling Fee and the Structuring Fee have not been included in the above example because they are upfront fees and are not typical ongoing costs (See "Additional Explanation of Fees and Costs" for further details). Performance fees are also not included as they would only arise on asset sales, so are not expected to be incurred at this early stage in the first year of the Fund's investment portfolio.
3. Estimated based on a capital raising of \$100 million, with the First Instalment of \$0.32 payable on Application and a subsequent instalment of \$0.32 (20% of the Application Price) in the first year. As such, the Net Asset Value of the Fund is calculated on a weighted average NAV for a period of 12 months from this Offer.

The following table expands on the information in Table 3 above by setting out the individual amounts payable in respect of each ongoing fee. This excludes any one-off fees such as the Structuring and Handling fees, and one-off expenses. The ongoing costs of the Fund and other expenses such as registry, tax, custodian, and audit fees have been included, assuming a capital raising of \$100 million. The following table assumes an investment balance of \$50,000:

**TABLE 3: DETAIL OF ONGOING ANNUAL FEES AND COSTS FOR AN INVESTMENT IN THE FUND**

TYPE OF FEE OR COST	AMOUNT <sup>3</sup>	DOLLAR VALUE
<b>Responsible Entity fee</b>	0.0931% <sup>1</sup>	\$46.53
<b>Administration fee</b>	0.2908% <sup>1</sup>	\$145.42
<b>GP fee</b>	0.8873% <sup>2,4</sup>	\$443.67
<b>Underlying fund management fees and expenses</b>	1.1521% <sup>2,4,5</sup>	\$576.07
<b>Other expenses of the Fund</b>	0.4914% <sup>1</sup>	\$245.68
<b>Other expenses of the LP</b>	0.0799% <sup>2,4</sup>	\$39.93
<b>Estimated Fund costs</b>	2.9946%	If you had an investment of \$50,000 during a year and your balance was \$50,000, then for that year, you would be charged fees of: \$1,497.30 (inclusive of GST and net of RITC).

1. These amounts include the net amount of GST, as it is anticipated that the Fund may be able to recover between 55% and 75% of the GST component of fees charged to it, whether under the reduced credit acquisition provisions of the GST Act or otherwise. (See "GST and tax" under the heading "Additional Explanation of Fees and Costs").
2. Exclusive of GST, it is anticipated that the Fund may be able to recover 100% of the GST component of fees charged to it as all investments are made offshore. (See "GST and tax" under the heading "Additional Explanation of Fees and Costs").
3. Estimated based on a capital raising of \$100 million, with the First Instalment of \$0.32 payable on Application and a subsequent instalment of \$0.32 (20% of the Application Price) in the first year. As such, the Net Asset Value of the Fund is calculated on a weighted average NAV for a period of 12 months from this Offer.
4. Assumes a commitment of US\$62 million in the LP from the proceeds of the Offer based on an assumed Australian Dollar/US Dollar exchange rate of 0.78.
5. These fees and expenses are based on a weighted average management fee of 2% plus expenses, assuming 33% of the LP's funds will be committed to underlying funds by the end of 12 months from this Offer.

## 7.2 Additional explanation of fees and costs

### (a) Structuring and handling fees

The Constitution of the Fund provides that a Structuring Fee and a Handling Fee may be applied to each Application for Units.

In respect of this Offer, the Responsible Entity will charge a 1.50% Structuring Fee plus the net amount of GST of 0.5375% (totalling 1.5375%) of the gross proceeds of the Offer. In addition, the Responsible Entity may set aside in the applications account in respect of all applications for Units a Handling Fee of 1.50% plus the amount of GST of 0.1500% (totalling 1.6500%) of the gross proceeds of the Offer, and pay that amount to Licensees, as the Applicant for Units directs on the Application Form. For the purposes of the Structuring Fee and the Handling Fee, the 'gross proceeds of the offer' means the Application Price of the partly paid Units which are to be issued, including uncalled amounts on the Units. The whole of the Structuring Fee and Handling Fee will be deducted from the First Instalment.

The effect of the Structuring Fee and the Handling Fee on each \$1.00 committed under an Application for Units in the Fund's initial capital raising will be approximately \$0.03. However, because only 20% of the Application Price of Units is to be called up as the First Instalment, this translates to a Structuring Fee and Handling Fee of approximately \$0.15 out of each \$1.00 paid on the First Instalment.

The proportionate effect of these upfront costs will diminish over time, subject to the investment being held over the long term as is recommended for this Fund.

#### **(b) Responsible Entity fee**

The Responsible Entity will charge a responsible entity fee for the operation of the Fund of 0.08% plus the net amount of GST of 0.0036% (totalling 0.0836%) of the gross asset value of the Fund, plus uncalled amounts on the Units, in accordance with the Constitution of the Fund. The Responsible Entity has agreed to charge 0.08% plus the net amount of GST of 0.0036% (totalling 0.0836%) of the gross asset value of the Fund for the first 12 months, subject to paragraph (l) below. Following this 12 month period, the Responsible Entity Fee will revert to 0.08% plus the net amount of GST of 0.0036% (totalling 0.0836%) of the gross asset value of the Fund, plus uncalled amounts on the on the Units.

#### **(c) Administration fee**

The Responsible Entity will charge an administration fee for the administration of the Fund of 0.25% plus the net amount of GST of 0.0113% (totalling 0.2613%) of the gross asset value of the Fund, plus uncalled amounts on the Units, in accordance with the Constitution of the Fund. The Responsible Entity has agreed to charge 0.25% plus the net amount of GST of 0.0113% (totalling 0.2613%) of the gross asset value of the Fund for the first 12 months, subject to paragraph (l) below. Following this 12 month period, the Administration Fee will revert to 0.25% plus the net amount of GST of 0.0113% (totalling 0.2613%) of the gross asset value of the Fund, plus uncalled amounts on the on the Units.

#### **(d) GP fee**

The GP is entitled to receive a management fee equal to 1.0% per annum of the total capital committed including capital committed by the Fund and Cordish Private Ventures as limited partners to the LP. However, the GP has agreed to charge 1.0% of the capital called by the LP 12 months from this Offer, subject to paragraph (l) below. Following this 12 month period, the GP Fee will revert to 1.0% of the total capital committed. Other parties to the LP Agreement may become party to the LP Agreement under different terms, including but not limited to, fees, rebates and investment hurdle rates.

This GP fee in relation to the Fund, Cordish Private Ventures, and any additional limited partners is payable irrespective of whether the capital committed by the partners has in fact been drawn by the GP and applied to investments for the limited partners through the LP. The GP Fee in relation to the Fund, Cordish Private Ventures, and any Additional Limited Partners is only payable for a 10 year period from the Fund's inception.

#### **(e) Underlying fund management fees and expenses**

The GP is entitled to be reimbursed, out of the assets of the LP, for all out-of-pocket expenses it properly incurs in operating and administering the Fund. This includes the fees charged by underlying fund managers associated with the performance of their management functions. These fees may include entry fees, transaction fees, exit fees and ongoing management fees. The LP may also be required to pay performance fees to the underlying fund managers, however, at this early stage of the Fund's life cycle, these will not be paid initially. These management fees may be reduced by rebates paid by entities in which the underlying funds invest. The exact quantum of these fees will depend on the composition of underlying funds, the size of the LP's investment, and time of investment with each constituent fund.

The underlying fund managers in which the Fund, through the LP, invests are entitled to be reimbursed, out of the assets of the Fund, for all out-of-pocket expenses they properly incur in connection with the investment and management of the underlying funds. This includes expenses such as transaction fees, duties, taxes, commissions, and brokerage.

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

#### **(f) Performance fee**

The GP is also entitled to a performance fee of 10% of the return achieved by the LP above a hurdle rate equal to a cumulative, non-compounded pre-tax return of 8% per annum on all capital contributed to the LP (and not yet returned by distribution to limited partners). Investors should note that the Hurdle Rate references to the LP, not the Fund level, and is denominated in US dollars.

#### **(g) Expenses relating to management of the Fund**

The Responsible Entity is entitled to be reimbursed, out of the assets of the Fund, for all out-of-pocket expenses it properly incurs in operating and administering the Fund. This includes expenses such as taxes and bank fees, preparation of financial statements and tax returns and compliance costs.

#### **(h) Other expenses of the LP**

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

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

#### **(i) Waiver, deferral or increase in fees**

Walsh & Company, in its capacity as Responsible Entity, and U.S. Private Select Opportunities Fund IV GP, LLC, in its capacity as GP, may waive or defer the payment of their fees or accept payment of lower fees in any amount and for any period they determine. They may also reinstate the payment of fees up to the previous levels on a prospective basis only. They may also increase a fee beyond the amounts stated in the PDS up to the prescribed maximum amount in the Constitution and the LP Agreement, as applicable (see paragraph (M) below), but if this occurs, we will give you at least 30 days' notice by an announcement.

#### **(j) Investor administration**

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

#### **(k) Benefits to the Responsible Entity**

Except for the interest, fees (including but not limited to the Structuring Fee) and remuneration disclosed in this PDS, the Responsible Entity and its Directors and employees have not received, and are not entitled to, any benefit in relation to this Offer.

Subject to applicable law, Directors may receive a salary as employees of the Responsible Entity or an affiliate, consulting fees or directors' fees, and may from time to time hold interests (directly or indirectly) in the Units in the Fund or shares in Walsh & Company and receive distributions and dividends in that capacity.

#### **(l) Maximum fee entitlements**

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

The Responsible Entity is entitled to charge 1.0% (exclusive of GST) per annum of the sum of the gross asset value of the Fund and the total uncalled amount (if any) for the administration and operation of the Fund and a Structuring Fee of 2.5% (exclusive of GST) and a Handling Fee of 2.5% (exclusive of GST) of the gross proceeds of the Offer.

#### **(m) GST and tax**

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

Taxation implications are addressed in Section 10.





## 8. Financial information

### 8.1 Pro forma Statements of Financial Position

The pro forma Statements of Financial Position set out below have been prepared to illustrate the financial position of the Fund following completion of the Offer and expenditure of funds associated with the Offer and to reflect the private investment fund partnership (**Limited Partnership**) which has been established. These pro forma Statements of Financial Position are intended to be illustrative only. Refer Section 8.2 for assumptions underlying the preparation of the pro forma Statements of Financial Position.

The pro forma Statements of Financial Position have been prepared in accordance with the significant accounting policies set out in Section 8.3 below.

The pro forma Statements of Financial Position are presented in summary form only and do not comply with the presentation and disclosure requirements of Australian Accounting Standards.

The presentation currency of the pro forma Statements of Financial Position is Australian dollars.

The information in this section should be read in conjunction with the risk factors set out in Section 6 and the other information included in this PDS.

**TABLE 1: PRO FORMA STATEMENTS OF FINANCIAL POSITION**

A\$'000	MINIMUM SUBSCRIPTIONS \$50 MILLION	MAXIMUM SUBSCRIPTIONS UP TO \$100 MILLION	OVER SUBSCRIPTIONS UP TO \$200 MILLION
Cash and cash equivalents	8,406	16,812	33,625
Other current assets	–	–	–
Investment in Limited Partnership	–	–	–
Total assets	8,406	16,812	33,625
Total Liabilities	–	–	–
Net assets/Equity	8,406	16,812	33,625
Units on issue	31,250	62,500	125,000
NAV per unit (\$)	0.27	0.27	0.27

**TABLE 2: RECONCILIATION OF THE UNAUDITED PRO FORMA CASH BALANCES**

A\$'000	MINIMUM SUBSCRIPTIONS \$50 MILLION	MAXIMUM SUBSCRIPTIONS UP TO \$100 MILLION	OVER SUBSCRIPTIONS UP TO \$200 MILLION
Cash and cash equivalents	–	–	–
Pro forma adjustment - Proceeds of the Offer (refer 8.2 (b)-(d))	9,175	18,350	36,700
Pro forma adjustment - Expenses of the Offer (refer 8.2 (f))	769	1,538	3,075
Pro forma net cash position	8,406	16,812	33,625

## 8.2 Assumptions

The pro forma Statements of Financial Position have been prepared on the basis of the following:

- a) application of the significant accounting policies set out in Section 8.3;
- b) the column headed “MINIMUM SUBSCRIPTIONS \$50 MILLION”, has been prepared on the basis of subscriptions of 31.25 million Units by Applicants under this PDS at an Application Price of \$1.60 per Unit with a First Instalment payment of \$0.32 per Unit, net of a handling fee of 1.65% (inclusive of GST and net of RITC) of the Application Price paid to relevant Licensees at the direction of the Applicants;
- c) the column headed “MAXIMUM SUBSCRIPTIONS UP TO \$100 MILLION”, has been prepared on the basis of subscriptions of 62.5 million Units by Applicants under this PDS at an Application Price of \$1.60 per Unit with a First Instalment of payment of \$0.32 per Unit, net of a handling fee of 1.65% (inclusive of GST and net of RITC) of the Application Price paid to relevant Licensees at the direction of the Applicants;
- d) the column headed “OVER SUBSCRIPTIONS UP TO \$200 MILLION”, has been prepared on the basis of subscriptions of 125 million Units by Applicants under this PDS at an Application Price of \$1.60 per Unit with a First Instalment of payment of \$0.32 per Unit, net of a handling fee of 1.65% (inclusive of GST and net of RITC) of the Application Price paid to relevant Licensees at the direction of the Applicants;
- e) “Investment in Limited Partnership” represents the limited partnership interest held by the Fund in the LP;
- f) expenses related to the Offer to be paid by the Fund upon the issue of Units include a Structuring fee of 1.5375% (inclusive of GST and net of RITC) of the Application Price;
- g) no interest is earned by the Fund during the Offer period;
- h) it is anticipated that the Fund may be able to recover up to 75% of the GST component of fees charged to it whether under the reduced credit acquisition provisions of the GST Act or otherwise. (See Section 7.2(M) “GST and tax” under the heading “Additional Explanation of Fees and Costs”); and
- i) the Investment in the Limited Partnership will be recognised by the Fund progressively based on commitment drawdown calls made on it by the LP.

## 8.3 Significant accounting policies

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

### 8.3.1 Functional and presentation currency

The pro forma financial information is presented in Australian dollars, which is the Fund’s functional and presentation currency. All amounts are rounded to the nearest thousand dollars unless otherwise noted.

Transactions in foreign currencies are initially recorded in Australian dollars by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies that are outstanding at the reporting date are retranslated at the rate of exchange ruling at the Statement of Financial Position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on translation are recognised in profit or loss in the period in which they arise.

### 8.3.2 Financial instruments

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

The Fund will adopt “AASB 9 – Financial Instruments (December 2014)”. AASB 9 includes requirements for the classification and measurement of financial assets and financial liabilities.

#### **8.3.2.1 Financial assets**

When financial assets are recognised initially, they are measured at fair value plus, in the case of financial assets not at fair value through profit and loss, directly attributable transaction costs.

Financial assets are subsequently measured at amortised cost using the effective interest rate method only if the following conditions are met, otherwise they are measured at fair value:

- Where a financial asset is held within a business model for the objective to collect contractual cash flows; and
- Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The interest held by the Fund in the Limited Partnership will not meet the conditions to satisfy subsequent measurement at amortised cost, and will therefore be measured on an ongoing basis at fair value (refer Section 8.3.3).

Gains and losses on all other financial assets at fair value are recognised in profit or loss.

#### **8.3.2.2 Financial liabilities**

Financial liabilities are classified as derivative and non-derivative instruments as appropriate. The Fund determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value. Non-derivative instruments are subsequently measured at amortised cost using the effective interest rate method.

#### **8.3.2.3 Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged or cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### **8.3.3 Fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in the principal (or most advantageous) market at balance date under current market conditions. Fair value is determined based on the bid price for all quoted investments in an active market. Valuation techniques are applied to determine the fair value for all unlisted securities and securities in markets that are not active. The interest in the Limited Partnership held by the Fund is valued using a 'proportionate' value method based on the proportion of the total net asset value (determined on a fair value basis) of the limited partnership in which the Fund has an interest at each balance date. The fair value will be net of distribution receipts from the Limited Partnership.

#### **8.3.4 Cash and cash equivalents**

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

#### **8.3.5 Tax**

##### **8.3.5.1 Income tax**

Under current Australian income tax laws, the Fund is not liable to pay income tax provided it is not a public trading trust and its distributable income for each income year is fully distributed to securityholders, by way of cash or reinvestment.

The Fund may be liable to pay income tax in the United States of America (US) dependent on the structure of private investment funds in which the Limited Partnership invests and in turn the structure of the underlying investments made by the private investment funds.

Rates of tax will vary dependent on the source of income derived.

A deferred tax liability is recognised (at the likely rate of tax in the US) based on the difference between the fair value and tax cost base of certain underlying investments in respect of which an economic interest is held by the Fund and on which income tax will likely be payable in the US on realisation of such investments.

#### **8.3.5.2 Goods and Services Tax (GST)**

Cash flows are presented in the Statement of Cashflows on a gross basis. Revenues, expenses and assets are recognised net of the amount of GST, except to the extent the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the unrecoverable GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Where fees are stated to be exclusive of GST and GST is payable on any fee, the fee will be increased by an amount equal to the GST payable. The Fund is expected to qualify for reduced input tax credits at a minimum rate of 55%.

#### **8.3.6 Impairment of assets**

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

#### **8.3.7 Revenue recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax (GST).

##### **8.3.7.1 Interest income**

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

#### **8.3.8 Critical accounting estimates and judgements**

In the application of the Fund's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies which are expected to be subject to significant accounting estimates and judgements include fair value determination of the interest held by the Fund in the Limited Partnership, and recognition of likely tax obligations in the US.





## 9. Investigating accountants report



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

Phone: +61 2 9322 7000  
[www.deloitte.com.au](http://www.deloitte.com.au)

The Directors  
Walsh & Company Investments Limited  
as Responsible Entity for Cordish Dixon Private Equity Fund IV  
Level 15, 100 Pacific Highway  
North Sydney NSW 2060

13 March 2018

Dear Sirs

### **INVESTIGATING ACCOUNTANT'S REPORT AND FINANCIAL SERVICES GUIDE**

#### **Introduction**

This report has been prepared at the request of the Directors of Walsh & Company Investments Limited (the Responsible Entity) as responsible entity for the Cordish Dixon Private Equity Fund IV (the Fund) for inclusion in a Product Disclosure Statement (PDS) to be issued by the Directors of the Responsible Entity in respect of the initial public offering of partly paid ordinary units in the Fund (the Offer).

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

References to the Fund, Cordish Dixon Private Equity Fund IV and Walsh & Company Investments Limited and capitalised terms used in this report have the same meaning as defined in the Glossary of the PDS.

#### **Pro Forma Financial Information**

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Responsible Entity to review:

- The pro forma Statements of Financial Position of the Fund on completion of the Offer as set out in Section 8.1 of the PDS;
- The pro forma Assumptions on which the pro forma Statements of Financial Position are based as described in Section 8.2 of the PDS; and
- The Significant Accounting Policies of the Fund as set out in Section 8.3 of the PDS  
(collectively the Pro Forma Financial Information).

The Pro Forma Financial Information has been derived from the records of the Fund after reflecting the pro forma assumptions as described in Section 8.2 of the PDS.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the events or transactions to which the Pro Forma Financial Information relate, as described in Section 8 of the PDS, as if those events or transactions had occurred as at the date of the PDS. Due to its nature, the Pro Forma Financial Information does not represent the Fund's actual or prospective financial position.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/au/about](http://www.deloitte.com/au/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Member of Deloitte Touche Tohmatsu Limited



The Pro Forma Financial Information is presented in the PDS in an abbreviated form, insofar as it does not include all of the representations and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

#### **Directors' Responsibility**

The Directors of the Responsible Entity are responsible for:

- the preparation and presentation of the Pro Forma Financial Information, including the selection and determination of pro forma adjustments made to the Pro Forma Financial Information; and
- the information contained within the PDS.

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

#### **Our Responsibility**

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

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

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

- consideration of work papers, accounting records and other documents of the Fund;
- consideration of the appropriateness of pro forma assumptions described in Section 8.2 of the PDS;
- enquiry of Directors, management, personnel and advisors;
- the performance of analytical procedures applied to the Pro Forma Financial Information;
- a review of the accounting policies adopted by the Fund described in Section 8.3 for consistency of application.

#### **Conclusion**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information is not prepared, in all material respects, in accordance with the stated basis of preparation as described in Section 8.1 of the PDS.

#### **Restrictions on Use**

Without modifying our conclusion, we draw attention to Section 8 of the PDS, which describes the purpose of the Pro Forma Financial Information, being for inclusion in the PDS. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

**Consent**

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

**Disclosure of Interest**

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

Deloitte Touche Tohmatsu is the auditor of the Fund.

Yours sincerely

Deloitte Corporate Finance Pty Limited

A handwritten signature in black ink, appearing to read "Michael Kaplan".

**Michael Kaplan**

Authorised Representative

Deloitte Corporate Finance Pty Limited (AFSL Number 241457)

AR Number 463220



August 2017

## Financial Services Guide (FSG)

### What is an FSG?

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

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

### Who supplies the financial services?

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

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

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

### What financial services are we licensed to provide?

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

### General financial product advice

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

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

### Personal financial product advice

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

### How are we remunerated?

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

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

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

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

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

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

### Associations and relationships

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

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

### What should you do if you have a complaint?

Please contact us about a concern:

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

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

[www.fos.org.au](http://www.fos.org.au)  
1800 367 287 (free call)  
Financial Ombudsman Service  
GPO Box 3 Melbourne VIC 3001

### What compensation arrangements do we have?

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

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





## 10. Tax information

### Australian taxation summary

Outlined below is a general summary of the key Australian income tax, goods and services tax (**GST**) and stamp duty (collectively, **Australian tax**) consequences for Australian resident individuals, companies and complying superannuation entities who subscribe for the Units pursuant to the Offer and hold the Units on capital account for Australian income tax purposes (**Investors**).

Investors should be aware that the actual Australian tax and stamp duty implications of investing in the Fund may differ from those summarised, depending on the individual circumstances of each Investor. For example, complying superannuation funds with pension liabilities may be exempt from income tax on some or all of the income derived and thus some of the income tax commentary below may not be relevant to these Investors.

Investors should seek advice from their own professional taxation adviser regarding the Australian tax consequences of acquiring, holding and selling the Units in the Fund, having regard to their particular circumstances.

Investors should also be aware that the tax laws can change with either prospective or retrospective effect.

## 10.1 Taxation treatment of the Fund



**Deals, Tax & Legal**

Level 38 Tower Three  
300 Barangaroo Avenue  
Sydney NSW 2000

P O Box H67 Australia Square  
Sydney NSW 1213  
Australia

ABN: 51 194 660 183  
Telephone: +61 2 9335 7000  
Facsimile: +61 2 9335 7001  
DX: 1056 Sydney  
www.kpmg.com.au

**Private and confidential**

The Directors  
Walsh & Company Investments Limited  
as Responsible Entity for  
Cordish Dixon Private Equity Fund IV Walsh & Co  
Investments Limited  
Level 15, 100 Pacific Highway  
North Sydney NSW 2060

Our ref L-20180313-Dixon IV Letter final

Contact Peter Madden (02 9335 7500)  
Liam Delahunty (02 9335 7648)

13 March 2018

Dear Directors

**Australia income tax, GST and stamp duty consequences of subscription for ordinary units in the Cordish Dixon Private Equity Fund IV**

In accordance with our letter of engagement, this letter has been prepared for inclusion in the Offer Document in relation to the issue of units (“Units”) in the Cordish Dixon Private Equity Fund IV (“Fund”) to potential investors (“Investors”). Walsh & Company Investments Limited (“Walsh & Company Investments”) is the Responsible Entity for the Fund.

**1. Scope of comments**

Our comments below provide a broad overview of the key Australian income tax, capital gains tax (“CGT”), goods and services tax (“GST”), and stamp duty implications (collectively, Australian tax) for Investors who acquire Units within the Fund pursuant to the Offer Document.

The categories of Investors considered in this summary are limited to Australian tax resident individuals, companies and complying superannuation funds that hold Units pursuant to the offer of Walsh & Company Investments and hold the Units on capital account for Australian income tax purposes.

Specifically, this letter does not consider the taxation consequences for Australian or foreign tax resident banks, insurance companies, Investors who hold their shares on revenue account or as trading stock or investors who acquire the Units otherwise than pursuant to the Offer Document, Investors subject to the Taxation of Financial Arrangements regime in Division 230 of the *Income Tax Assessment Act 1997* which have made an election to rely on the Fair Value or Reliance on Financial Reports (“ROFR”) methodologies, or Investors who are exempt from Australian income tax or foreign resident companies, trusts and partnerships.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.



In our comments we have not considered any of the US tax consequences for the Investors.

The following tax comments are based on the tax law in Australia in force as at the date of this letter. Australian tax laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each Investor. During the ownership of the Units by the Investors, the taxation laws of Australia or their interpretation may change. The precise implications of ownership or disposal will depend upon each Investor's specific circumstances. Investors should seek their own professional advice on the taxation implications of ownership or disposing of Units, taking into account their specific circumstances. This letter is based on the facts as set out in the Offer Document that have not been independently reviewed or verified by KPMG.

The inclusion of this letter in the Offer Document is subject to the terms of our consent for its inclusion and to be named in the Offer Document.

KPMG's Tax practice is not licensed to provide financial product advice under the Corporations Act. Taxation issues, such as (but not limited to) those covered in this letter, are only one of the matters an Investor needs to consider when making a decision about a financial product. Investors should consider taking advice from someone who holds an Australian financial services licence before making such a decision.

#### **Australian taxation considerations**

### **2. Taxation treatment of the Fund**

#### *2.1. Income tax status of the Fund*

Generally, as an Australian unit trust, the Fund should not be subject to income tax and be treated as a "flow through" entity for Australian income tax purposes. That is, the Fund should not be liable to pay income tax on their net (i.e. taxable) income for an income year, provided that the unit holders are presently entitled to the distributable income of the trust for the income year.

For income tax purposes, the Fund may be taxed like a company if it is a "public trading trust". Whilst the Fund is listed on the ASX it should only be a public trading trust if it is a public trading trust. However, provided that the Fund and the entities that the Fund controls (or has the ability to control, either directly or indirectly) do not carry on a "trading business", the Fund should not be treated as a public trading trust. We understand that based on the proposed activities of the Fund and that the Fund will not be able to control the underlying investments it is not expected that it will be a public trading trust. However, the public trading trust test is an annual test which takes into account the actual activities of the Fund during a



given income year. For this reason it will be necessary to monitor the activities of the Fund each year.

The Fund may satisfy the requirements to be a “managed investment trust” (**MIT**) for Australian income tax purposes and be able to make an irrevocable election (the MIT capital election) to apply the capital gains tax (**CGT**) rules as the primary code for the taxation of gains and losses on the disposal of certain assets (being primarily shares, units and real property). In this regard, capital gains made by the Fund from the realisation of investments covered by the MIT capital election that have been held for 12 months or more should qualify for discount CGT treatment. It will be necessary to monitor the Fund’s compliance with the requirements of the MIT provisions annually.

The Fund can also make an irrevocable election to be treated as an Attributable Managed Investment Trust (the AMIT election). Broadly, this should result in the allocation of the taxable income of the Fund to Investors on an ‘attribution’ rather than a present entitlement basis, allow for a CGT cost base uplift in the event that the taxable income attributed to investors is more than the cash distribution paid or credited and allow the Fund to carry forward over or under attribution amounts within limits. Practically, it is not anticipated that the AMIT rules would materially change the taxation of the Fund or the Investors should the Responsible Entity of the Fund make the irrevocable election. For example, the AMIT rules require that Investors be provided with an AMIT Member Annual Statement (**AMMA**) that is similar to a distribution statement normally provided (except AMMA statements are required to provide the Investor with CGT cost base information).

Under the AMIT Rules, an Investor may notify the Commissioner of Taxation that they disagree with the attribution of income that has been determined by the Responsible Entity and request a substitute amount in certain circumstances. However, as the Fund is only intended to have a single class of units, it is not expected that any adjustments are likely to arise from the existence of such a mechanism.

## *2.2. Net income of the fund*

Investors that are presently entitled to a share of the distributable income of the Fund and not under a legal disability (e.g. that is, persons over 18 with full mental capacity) should be required to include in their assessable income their proportionate share of the Fund’s net income for each relevant income year. The following provides a broad overview of how the net income of the Fund might be calculated.

The net income of the Fund may include:

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



- net capital gains (discounted and undiscounted).

The net income of the Fund may also include an amount of income that is calculated under Australia's controlled foreign company (**CFC**) rules. A foreign resident company or limited partnership may be a CFC if the Fund directly or indirectly owns more than 40% of the equity interests. The CFC rules apply to include in the Fund's net income its share of the taxable income of the CFC calculated as if the CFC were a resident taxpayer, less any assessable interim distributions.

To the extent any amount is included in the assessable income of the Fund under the CFC rules, the amounts attributed are subtracted from any future assessable distributions received by the Fund from or reduced from any consideration received in relation to any disposal of any interests in the CFC, thus avoiding any double taxation.

If the Fund makes a tax loss in any income year, the tax loss is not distributable to Investors. Instead, the tax loss may be able to be carried forward and utilised by the Fund to offset future assessable income, provided that the Fund satisfies the applicable trust loss recoupment rules.

Similarly, any net capital losses can be carried forward by the Fund to be utilised to offset future net capital gains.

### **3. Taxation treatment of Investors**

#### *3.1. Acquisition of Units*

Each Unit in the Fund will be a CGT asset. For CGT purposes, the cost base (and reduced cost base) of each Unit held by an Investor should include the amount that the Investor paid to acquire the Unit, plus (amongst other things) any incidental costs of acquisition and disposal.

#### *3.2. Distributions from the Fund*

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

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

If a capital gain included in the taxable income of the Fund is a discount capital gain, Investors should be required to gross up the amount of the capital gains included in their assessable income. Investors may apply any available capital losses and any remaining discount capital



gains may be eligible for the CGT discount (see the discussion on the disposal of Fund Units below).

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

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

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

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

Distributions of CGT concession amounts are not assessable to Investors and should not affect the cost base (or reduced cost base) of an Investor's Units in the Fund for CGT purposes.

Investors will be provided with an Annual Statement setting out the details of assessable income arising from their investment in the fund.

### *3.3. Sale or redemption of Units*

A sale or redemption of Units will constitute a disposal for CGT purposes, and may result in a capital gain or capital loss for an Investor.

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



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

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

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

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

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

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

#### *3.4. Withholding of tax from distributions*

The Responsible Entity of the Fund is required to deduct Pay-As-You-Go withholding tax from distributions paid to Investors at the highest marginal tax rate plus Medicare Levy and the Temporary Budget Repair Levy (totalling 49% based on current rates) if the Investor has not quoted either their Tax File Number or Australian Business Number, and none of the relevant exemptions apply. Investors should generally be entitled to a tax credit for any such tax withheld.

#### **4. GST**

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



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

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

#### **5. Stamp duty**

Neither the Responsible Entity nor Investors should be liable for any stamp duty on any future acquisition of Units (whether by way of transfer or issue of the Units by the Fund) provided the Fund does not directly or indirectly hold any land or interests in land in Australia. Even if it is a landholder in any Australian State or Territory, no stamp duty should be payable in respect of future acquisitions or disposals of the Units, provided the Fund remains listed with the Units quoted on the ASX and none of the investors, alone or together with their associates, acquire an interest of 90% or more in the Fund.

\* \* \* \* \*

Yours sincerely

Peter Madden

Partner

## 10.2 US taxation summary

The following is a summary of certain material US federal income taxation consequences that are likely to apply to an investor in the Fund that is not treated as a US Investor, as defined below (a **Non-US Investor**).

For purposes of this discussion, a Non-US Investor means a beneficial owner of Units that is not any of the following for US federal income tax purposes:

- a) a citizen or resident of the US or someone treated as a US citizen or resident for US federal income tax purposes;
- b) a corporation (or another entity taxable as a corporation for US federal income tax purposes) created or organized in or under the laws of the US, any state thereof, or the District of Columbia;
- c) an estate, the income of which is subject to US federal income taxation regardless of its source; or
- d) a trust if:
  - i) it is subject to the supervision of a court within the US and one or more US persons are authorized to control all substantial decisions of the trust; or
  - ii) it has a valid election in effect under applicable US Treasury Regulations (as defined below) to be treated as a US person.

This summary is for general information purposes only and is not exhaustive of all of the US federal income tax considerations that may be relevant to a decision to purchase, hold or dispose of Units. In addition, the possible application of US federal estate or gift taxes or any aspect of state, local or non-US tax laws is not considered. This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (**Code**), Treasury Regulations promulgated under the Code by the US Treasury Department (including proposed and temporary regulations) (**Treasury Regulations**), rulings, current administrative interpretations and official pronouncements by the Internal Revenue Service (**IRS**), and judicial decisions, all as currently in effect on the date hereof and all of which are subject to differing interpretations or to change, including possibly with retroactive effect. Such changes could materially and adversely affect the tax consequences to Non-US Investors described below. No assurance can be given that the IRS would not assert, or that a court would not sustain a position contrary to any of the tax consequences described below. The Fund has not obtained, nor does it intend to obtain, a ruling from the IRS or any other federal, state or local agency with respect to any of the tax issues affecting the Fund or its Non-US Investors.

If a partnership (including for this purpose any entity treated as a partnership for US federal income tax purposes) is a beneficial owner of Units, the US federal income tax

treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership.

This discussion does not address all aspects of US federal income taxation that may be important to any particular Non-US Investor in light of its investment or tax circumstances or to any Non-US Investor subject to special tax rules including, but not limited to, those Non-US Investors that: (i) have an office or fixed place of business in the US or (ii) are former citizens of the “US-controlled foreign-corporations”, “passive foreign investment companies and corporations” with accumulated earnings to avoid US federal income tax. This discussion also assumes that a Non-US Investor is not engaged in a US trade or business apart from its Units. Each prospective Non-US Investor is urged to consult its US tax advisor before investing in the Fund.

The foregoing summary of US federal income tax considerations is for general information only and is not tax advice. It does not discuss all aspects of US federal income taxation that may be relevant to a Non-US investor in light of its particular circumstances and income tax situation. Prospective Non-US Investors should consult their own tax advisors as to the specific tax consequences that would result from the purchase, ownership and disposition of the Units, including the application and effect of federal, state, local, foreign and other tax laws (including estate and gift tax rules) and the possible effects of changes in federal or other tax laws, as well as the application under any applicable tax treaty.

### a) US tax status

The Fund intends to be classified and operate as an association taxable as a corporation for US federal income tax purposes. It is intended that the LP will be treated as a partnership (that is, a flow-through or transparent entity) for US federal income tax purposes. As a result, the Fund will be treated for these purposes as having engaged in any activities conducted by the LP and, in turn, any partnership in which the LP invests. The following discussion assumes that the Fund is classified as a corporation and the LP is classified as a partnership for US federal income tax purposes.

### b) Taxation of the Fund

#### i) US Trade or Business

The US federal income tax consequences of the Fund (and, as a result, the Non-US Investors) will generally depend on whether the Fund is engaged in a trade or business in the US by reason of the LP's investing activities.

Based on the investment strategies of the LP (and, therefore, the Fund), the Fund may be able to take the

position that it is not directly or indirectly through one or more partnerships engaged in a US trade or business for US federal income tax purposes. However, treatment of the Fund as not engaged in a US trade or business is based on all of the facts and circumstances and is subject to challenge by the IRS.

The Fund may qualify for a specific exemption provided for in the Code and Treasury Regulations for non-US persons (other than dealers in securities including, without limitation, corporations) that restrict their activities in the US to investing or trading in stock and securities (and any other activity closely related thereto) for their own account, pursuant to which such non-US persons will not be treated as engaged in a US trade or business. However, no assurance can be given that the LP will structure its direct and indirect investments so that it can comply with such an exemption.

If the Fund was treated as directly or indirectly engaged in a trade or business in the US, the Fund generally would be required to file a US federal corporate income tax return and to pay US federal income tax on a net basis (at the same rates that are generally applicable to US corporations, currently 21%) in respect of its share of effectively connected income derived from that trade or business. In certain circumstances, the partnerships engaged in these activities may have a tax withholding obligation – see discussion below.

In addition, if the Fund were treated as being engaged in a US trade or business, the Fund may also be required to pay an additional tax equal to 30% of the “dividend equivalent amount” for the taxable year (**Branch Profits Tax**), subject to reduction pursuant to the Double Tax Treaty for certain qualified tax residents (to a rate of 5%). For these purposes, the “dividend equivalent amount” is generally the amount of the Fund’s earnings and profits effectively connected with a US trade or business for the taxable year, subject to certain adjustments. As noted above, even if the investing activities of the LP (and, therefore, the Fund) do not give rise to a US trade or business, the Fund may be deemed to be engaged in a US trade or business as a result of directly or indirectly owning an interest in certain partnerships (or entities treated as partnerships for US federal income tax purposes) which are engaged in a US trade or business. Consequently, income and gain realised from that investment would give rise to income effectively connected with a US trade or business and be subject to US income and potentially Branch Profits Tax, as described above. If an entity in which the LP (and, therefore, the Fund) is invested is treated as a partnership for US federal income tax purposes, the character of the income or loss generally flows through to the upper-tier entities (such as the Fund) for these purposes.

Even if the Fund’s activities do not constitute a US trade or business for these purposes, gains realised from the

sale or disposition of certain stock or securities of US real property holding corporations (as defined in Section 897 of the Code, **USRPHCs**), will be generally subject to US income tax on a net basis, subject to certain exceptions. For these purposes, a USRPHC includes certain interests in US corporations holding US real estate assets having a market value in excess of 50% of the market value of all their real estate assets and other business related assets, subject to certain exceptions. In addition, sales of partnership interests in partnerships owning interests in US real property will also generally be subject to these rules.

## ii) US Withholding Tax

Assuming that the Fund is not directly or indirectly engaged in a US trade or business, certain types of periodic income (such as dividends, certain “dividend equivalent payments” and certain interest income) received by the Fund from sources inside the US may be subject to US withholding tax at a maximum rate of 30%, subject to certain exceptions. Certain types of income are specifically exempt from the 30% withholding tax. The 30% tax generally does not apply to US source capital gains (whether long or short-term) or to interest paid to a non-US corporation on its deposits with US banks, except to the extent that such income is effectively connected with the conduct of a US trade or business or such non-US person is present in the US for 183 days or more during the year. The 30% tax generally does not apply to interest which qualifies as “portfolio interest.” The term “portfolio interest” generally includes interest (including original issue discount) on certain obligations with respect to which the person who would otherwise be required to deduct and withhold the 30% tax receives certain required statements that the beneficial owner of the obligation is not a US person within the meaning of the Code, subject to certain exceptions. For example, the portfolio interest exemption is not available for interest paid to a direct or indirect 10% investor of the issuer of the indebtedness and is subject to certain other limitations. In addition, among other items, certain types of “contingent interest” (generally, interest is determined by the receipts, sales, cash flow, income or profits of the debtor or a related person, or by dividends or partnership distributions made by the debtor or a related person) are excluded from the definition of portfolio interest.

To obtain the benefit of the portfolio interest exemption and in certain other cases to reduce or eliminate withholding, the LP and/or the Fund may be required to deliver certain certifications to the portfolio funds (or their designees) and/or the IRS.

In addition, to the extent that the LP directly or indirectly invests in partnerships having income effectively connected with a US trade or business, such partnerships the LP invests in may be required to withhold US income tax at a

tax rate equal to the highest US income tax rate applicable to the LP partners on all or a portion of the income allocated to the LP by such partnership.

Additionally, as a result of the recently enacted *Tax Cuts and Jobs Act of 2017*, a US partnership with a foreign partner may be subject to withholding tax at 30% (which may be reduced or eliminated) in the event of a disposition of partnership interests. Any such withholding tax would be withheld by the partnership and may reduce amounts available for distribution to partners directly, and to investors in the Fund indirectly.

There can be no assurance that income derived by the Fund would not be subject to US withholding tax. Any tax liability incurred by the Fund generally could reduce the Fund's overall economic returns and materially reduce amounts available for ultimate distribution to Non-US Investors.

#### **c) Tax considerations for non-US investors**

A Non-US Investor generally will not be subject to US federal income taxation on distributions from the Fund or on gains recognised on the sale, exchange or redemption of its Units in the Fund where such Non-US Investor's nexus with the US is solely as a result of an investment in the Units. Similarly, Non-US Investors that otherwise are not subject to US federal income tax filing obligations should not become subject to any such filing obligations as a result of their investment in the Fund.

#### **d) Withholding on certain payments**

Under Sections 1471 through 1474 of the Code and Treasury Regulations thereunder (**FATCA**), US federal withholding tax at a rate of 30% will apply to dividends and, beginning after 31 December 2018, to gross proceeds from the sale or other disposition of, paid to (1) a "foreign financial institution" (as defined for this purpose) unless such institution is exempt from FATCA withholding pursuant to an applicable intergovernmental agreement between the jurisdiction in which it is located and the US, enters into an agreement with the US government to collect and provide to the US tax authorities information regarding US account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with US owners) or meets other exemptions or (2) a foreign entity that is not a financial institution, unless such entity is exempt from FATCA withholding pursuant to an applicable intergovernmental agreement between the jurisdiction in which it is located and the US, provides the withholding agent with a certification identifying any substantial US owners of the entity (as defined for this purpose) or meets other exemptions. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the US governing these withholding and reporting requirements may be subject to different rules. If FATCA withholding is imposed, an investor

that is not a foreign financial institution may under certain circumstances be eligible for a refund or credit of any amounts withheld by filing certain information with the IRS.

#### **e) Future changes in applicable law**

The foregoing description of US income tax consequences of an investment in the Fund and the operations of the Fund is based on laws and regulations that are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Fund to income taxes or subject Non-US Investors to increased income taxes.

Additionally, forthcoming Treasury Regulations interpreting the *Tax Cuts and Jobs Act of 2017* may impact the US federal income taxation of the Fund and the LP. Non-US Investors should consult their own tax advisors regarding the US federal income tax consequences of investing in, holding and disposing of Units in the Fund.



# 11. Key people

## 11.1 Role of the Responsible Entity

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

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

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

The role of the Responsible Entity includes:

- a) monitoring the operations, financial position and performance of the Fund;
- b) identifying the principal risks faced by the Fund and monitoring the effectiveness of systems designed to provide reasonable assurance that these risks are being managed;
- c) taking steps to ensure the Fund's financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Unitholders; and
- d) taking steps to ensure Unitholders and the market are fully informed of all material developments.

## 11.2 Background of the Responsible Entity

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

Walsh & Company is a member of the Evans Dixon Group. The Evans Dixon Group is a group formed from the result of a merger between the Dixon Advisory Group and Evans and Partners Pty Ltd. Evans Dixon is a significant Australian investment and wealth management business providing services to more than 8,000 clients with funds under advice, execution, and administration of over \$20 billion.

## 11.3 Directors of the Responsible Entity

The Directors of the Responsible Entity are:



**Alex MacLachlan,**  
BA (Cornell), MBA (Wharton)  
CHAIRMAN  
  
**Chief Executive Officer,**  
**Walsh & Company**

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

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

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

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



**Warwick Keneally,**  
BEC, BCOMM (ANU), CA  
DIRECTOR  
  
**Head of Finance,**  
**Walsh & Company**

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

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

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



**Tristan O'Connell,**  
BCOMM (ANU), CPA  
DIRECTOR

**Group Chief Financial Officer  
and Company Secretary,  
Evans Dixon Group**

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

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

## 11.4 Role of the GP

The GP is jointly owned by DGP Inc. (part of the Evans Dixon Group) (as to 42.5%) and two affiliates of Cordish Private Ventures, (as to 57.5% in aggregate) and is based in the US. See Section 12.4 for details. It is responsible for:

- investing and disposing of investments to be made by LP;
- opening, having, maintaining and closing bank and brokerage accounts;
- bringing and defending actions and proceedings;
- hiring external advisors, agents and employees as required;

- making all elections, investigations, evaluations and decisions binding the LP that may be needed for acquiring, holding or disposing of investments;
- entering into, performing and carrying out contracts and agreements for the offer and sale of interests in the LP or to accomplish the LP's purposes; and
- carrying on any other activities, as required, in connection with the LP's business.

The GP acts as general partner of the LP. As general partner, the GP must manage and promote the LP's purpose and business on behalf of all limited partners. The relationship between the GP and the limited partners of the LP (including the Fund) is regulated by the LP Agreement.

See Section 12.1 for details. The Responsible Entity has no ability to direct the GP regarding the acquisition or divestment of investments. This will continue irrespective of whether there is a change in the responsible entity of the Fund.

The GP has confirmed to the Responsible Entity that it will exercise its discretion as general partner of the LP to make investments consistent with the investment strategy of the Fund outlined in this PDS.

## 11.5 Role of the Investment Manager and its Advisory Board

The GP has engaged Dixon Asset Management USA Inc. to act as investment manager. The Investment Manager is a member of the Evans Dixon Group. The Investment Manager has discretion to undertake and realise investments for the benefit of the LP as a delegate of the GP. The GP remains subject to its duties under the LP Agreement. Accordingly, the GP retains the right to replace the Investment Manager at its sole discretion. The Investment Manager must also act consistently with the investment objectives, policies and restrictions adopted by the GP from time to time. Details of the responsibility of the Investment Manager are set out in the Investment Advisory Agreement. See Section 12.3.

The Investment Manager has established an Advisory Board to provide it with expert advice, on a non-binding basis, in relation to portfolio and investment strategy, evaluation of investment opportunities and potential disposals, fund administration and other commercial matters for the LP and its limited partners, including the Fund. Jonathan Cordish has committed to serving on the Advisory Board for a minimum period of five years.

See Section 11.7 and 12.3 for information regarding the investment professionals and operation of the Investment Manager.

## 11.6 Members of the Advisory Board



**David Cordish,**  
BA (John Hopkins), JD (Maryland),  
MLA (John Hopkins)

**Chairman,  
The Cordish Companies**

David is a member of the Advisory Board for Cordish Dixon Private Equity Partners.

David is Chairman of The Cordish Companies. David's career has included service in law, government, and commercial businesses. He served in both the Carter and Reagan Administrations as head of the Urban Development Action Grant Program.

The Cordish Companies is headquartered in Baltimore, Maryland and is a fourth generation family owned and managed business with four major areas of expertise: (1) Real Estate Development, (2) Gaming & Lodging, (3) Entertainment & Sports-Anchored Projects, and (4) Private Equity. The Cordish Companies is widely recognised as one of the leaders nationally in the field of entertainment development and the operation of entertainment venues, restaurants, live performance venues, and gaming and resort projects.

David was the recipient of the Johns Hopkins Real Estate Program's Leadership Award, the David M. Sampson Award by the Greater Baltimore Urban League, the Baltimore WaveMaker Lifetime Achievement Award by the Urban Land Institute, and the Daily Record's Most Admired CEO Award.

David has a B.A. and a Masters in Liberal Arts from Johns Hopkins University. He has an LLB degree from the University of Maryland Law School and was on the Board of Editors of the Law Review.



**Jonathan Cordish,**  
BA (Brandeis University), MBA (Wharton)  
Chairman

**Principal, Vice President,  
Director of Finance,  
The Cordish Companies**

Jonathan serves as the Chairman of the Advisory Board for Cordish Dixon Private Equity Partners.

Since 2001, Jonathan has managed the finances and investments of the Cordish family and The Cordish Companies of Baltimore, Maryland, US, and is a Partner at The Cordish Companies, the operating business of the Cordish family. Jonathan is also President of Cordish Private Ventures, LLC, which he has built into a comprehensive

private equity investment company that has successfully invested in a variety of private equity funds, as well as made direct equity investments in high-growth companies.

Jonathan had significant experience in private equity finance prior to joining Cordish. From 1999 to 2001, he served as a Vice President and Partner at Riggs Capital Partners, a private equity firm based in Washington, D.C. Jonathan has also served on the advisory board of multiple private equity funds. Prior to Riggs Capital Partners, Jonathan received a Masters in Business Administration from the Wharton School, where he graduated with Distinction with a concentration in Private Equity Finance.

Jonathan received a B.A., summa cum laude and with highest honours, in English and American Literature from Brandeis University in 1990, where he also graduated Phi Beta Kappa.



**John Martin,**  
B.Ec (Hons) (Sydney)

**Managing Director and  
Chief Executive Officer,  
New Energy Solar**

John is the Managing Director and CEO of New Energy Solar. John has more than two decades of experience in corporate advisory and investment banking with a focus on the infrastructure, energy and utility sectors.

John previously led the Infrastructure and Utilities business at corporate advisory firm Aquasia where he advised on more than \$10 billion of infrastructure and utility M&A and financing transactions. Prior to this John held various investment bank management positions including the Head of National Australia Bank Advisory and the Joint Head of Credit Markets and Head of Structured Finance at RBS / ABN AMRO. During his time at ABN AMRO, John managed the Infrastructure Capital business which was viewed as a market leader in the development and financing of infrastructure and utility projects in Australia. John started his career as an economist with the Reserve Bank of Australia and then worked in various treasury and risk management positions, before moving to PwC as the partner responsible for financial risk management. At PwC John advised some of Australia's largest corporations on the management and valuation of currency, interest rate and commodity exposures, with a focus on advising energy companies trading in the Australian National Electricity Market.

John has a Bachelor of Economics (Honours) from the University of Sydney. John is a member of the Advisory Board, and is a past board member of Infrastructure Partnerships Australia.



**Alan Dixon,**  
BCOMM (ANU), CA  
**Managing Director and  
Chief Executive Officer,  
Evans Dixon**

Alan Dixon is the Managing Director and CEO of Evans Dixon, an asset manager and financial advisory firm established in February 2017 through the merger of Evans & Partners and Dixon Advisory. Evans Dixon has over \$20 billion of assets under management or advice.

Primarily based in the USA, Alan also oversees the firm's senior leaders and influences the strategic initiatives of more than 600 professionals working with clients in Sydney, Melbourne, Brisbane, Canberra, Jersey City and New York City. He is also Managing Director and CEO of Dixon Advisory USA, a leader in the US urban single-family home rental business.

Alan joined Dixon Advisory in January 2001. Prior to joining Dixon Advisory, Alan worked in Chartered Accountancy and Investment Banking roles in Australia.

Alan holds a Bachelor of Commerce from the Australian National University and is a member of the Institute of Chartered Accountants in Australia.

## 11.7 Investment professionals

**Alex MacLachlan,** BA (Cornell), MBA (Wharton)

Refer to Section 11.3.



**Jonathan Sinex,**  
BA (ECON) (Middlebury), MBA (Darden)  
**Managing Director,  
Cordish Dixon Private Equity**

Jonathan is currently a principal at Cordish Private Ventures and the Managing Director at Cordish Dixon Private Equity Partners, where he is responsible for managing all private equity opportunities in his role with the Investment Manager for Fund I, Fund II, and Fund III, and related entities.

Since joining Cordish Private Ventures in 2012, Jonathan has sourced, evaluated and closed 30 private fund commitments as well as 18 direct equity investments in private operating businesses. Prior to joining Cordish, Jonathan was a private equity investor at Goldman Sachs and Devonwood Investors, and during business school served as the interim CFO at a private equity backed consumer products company.

Jonathan began his career in 2004 as an investment banker at Bear Stearns providing M&A, capital raising and advisory services to public and private companies. Jonathan received his Bachelor of Arts in Economics from Middlebury College and a Masters of Business Administration (with highest honors) from the University of Virginia's Darden School of Business.



**Whitney Voûte,**  
BA (GOVT) (Cornell)  
**Principal,  
Cordish Dixon Private Equity**

Whitney is a Principal at Cordish Dixon Private Equity Partners where she manages the investor relations for the Funds. Prior to joining Cordish Dixon, Whitney was the Director of Investor Relations for White Deer Energy, a US-based private equity firm with \$2.2 billion under management, where she was responsible for managing the firm's relationships with pension funds, endowments, foundations, family offices and high net worth individuals. Prior to White Deer, Whitney was a Vice President at MVision Private Equity Advisors, based out of New York and London. In this role, she developed marketing strategies, provided strategic advice and raised capital for leading private equity funds – including first time funds, spinout funds and large global funds – in the US, Europe, and Latin America.

Whitney received her Bachelor of Arts in Government from Cornell University with a concentration in Law and Society.





## 12. Material contracts

### 12.1 LP Agreement

An exempted limited partnership has been established in the Cayman Islands for the purposes of acquiring, directly or indirectly, and dealing with, interests in private investment funds.

Cordish Private Ventures, the Fund, and any other investors ("Additional Limited Partners"), will each make capital contributions towards the acquisition of investments, as directed by the GP, up to a maximum contribution amount of US\$250 million in total. Cordish Private Ventures will contribute US\$15 million. The Responsible Entity will notify the GP and Cordish Private Ventures of the amount of its capital commitment within five Business Days of completion of the issue of Units under this PDS.

Additional Limited Partners may join the LP until 30 June 2019, by contributing an amount that equalises the contributed percentage of capital committed by each limited partner, plus a cost of carry rate equal to the WSJ Prime Rate, plus the management fee that would have been charged over the period from the Fund's initial investment in the LP. The GP may elect to close further commitments at anytime.

Additional Limited Partners may reduce the Fund's percentage interest in the LP. Additional Limited Partners may be offered more favourable terms than the Fund or Cordish Private Ventures, including rebates or other fee reduction mechanisms.

The LP has a broad range of permitted investments, including direct investment in underlying companies, subject to certain restrictions. The LP may not:

- a) invest more than 25% of the aggregate capital commitment of the LP in any one private investment fund or securities of a portfolio company. The only exception to this is investments in underlying companies, either directly by the LP, or indirectly via a private investment fund established by the GP, or related entities, for the purpose of direct investment. The aggregate limit for such direct investments is 33%;
- b) invest, by way of primary market transactions, more than 15% of the aggregate capital commitment of the LP in any private investment fund whose primary investment objective is to invest in companies located or that conduct their principal business outside of the US; and
- c) invest in any private investment funds whose primary investment objective is to invest in companies

located in or that conduct their principal business in emerging markets.

The LP's specific investment methodologies may be altered by the GP without prior approval of the limited partners, if the GP determines that such change is in the best interest of the LP and is consistent with the LP's objectives or purposes. While the GP does not currently intend to borrow further funds for investment purposes, the LP Agreement permits the GP to borrow up to 15% of the LP's aggregate capital commitments.

Under the LP Agreement, it is an event of default to fail to make a capital contribution when due and different consequences may result from an event of default, including (among others) interest being payable on overdue amounts, forcing the sale of the defaulting partners' interests in the LP or, at the discretion of the GP, forfeiture of distributions and a 25% reduction in the defaulting partner's capital account (such amounts may be distributed to the remaining partners in their pro rata proportions).

In consideration of managing the LP and its investments, the GP is entitled to an investment management fee of an amount equal to 1% per annum of the aggregate capital commitments made by the partners to the LP, which will be payable quarterly in advance for a period of 10 years. See Section 7.2 for details of the fees to be charged.

Under the LP Agreement, the GP is also entitled to a performance fee, which is 10% of the return achieved by the LP above invested capital, once a cumulative (non-compounded) return of 8% per annum (Hurdle Rate) on all capital contributed to the LP (and not yet returned by distribution to limited partners) is achieved.

Limited partners are prohibited from withdrawing from the LP or otherwise disposing of their interest in the LP in any circumstances without the consent of the GP. The GP may not withdraw from the LP, resign as general partner or otherwise dispose of its interest in the LP in any circumstances without the approval of limited partners holding more than 50% of contributed capital, unless it is to a related entity, or an entity controlled by one of the members of the GP.

The LP will continue until the date that it is wound up and dissolved, which will be the earlier of: a determination by the GP to wind up the LP following the disposal of all assets and distribution of proceeds; the withdrawal of the GP from its duties as general partner; or the occurrence of an insolvency

event in relation to the GP; or the end of the 14 year term following the initial closing date, such term being extendable by the GP for up to two additional years. Upon the occurrence of an insolvency event for the GP or withdrawal of the GP, limited partners holding 75% of contributed capital at that time can agree to continue the LP and select a new general partner. Once the Fund invests in the LP and becomes a limited partner, the Fund will not have the ability to petition for the wind up of the LP.

The GP's extension of the LP for a further two years, or its extension by approval of the limited partners, does not require approval from Unitholders. However, if at any time following the initial 10 year period of the LP Agreement the Unitholders resolve by ordinary resolution to remove the GP, the GP must resign from its role as general partner under the LP Agreement by giving three months' notice of its resignation to the limited partners, and a new general partner will be appointed in accordance with the LP Agreement.

Removal of the GP does not terminate the LP itself. Upon the occurrence of an event relating to the insolvency of the GP or the withdrawal of the GP, the limited partners representing at least 50% of the interests in the partnership may select a new general partner. On the occurrence of such an event, the LP will be wound up and its surplus assets will be distributed to the limited partners. The LP will then be dissolved. In that event, the Responsible Entity expects to distribute the proceeds received to Unitholders and to wind up the Fund.

The withdrawal of, or an insolvency event in respect of, a limited partner will not dissolve the limited partnership.

The LP Agreement permits the GP to require any limited partner to withdraw from the LP, if the GP determines that the continued participation of that limited partner would adversely affect the LP or the GP. While the withdrawing limited partner (so long as it is not a defaulting limited partner) will receive 90% of its capital account within 90 days of exit with 10% balance payable on completion of the subsequent audit or as soon thereafter as is reasonably practicable. This provision could result in the Fund being forced to exit from the LP before there has been a liquidity or other event resulting in a capital appreciation of the underlying investments of the LP. The interest of each limited partner in the LP cannot be transferred without the consent of the GP.

An entity associated with the Responsible Entity owns 42.5% of the GP but does not control the GP, and the GP may cease to be a related body corporate of the Responsible Entity in the future. The LP Agreement can generally be amended with approval from 50% of the capital contributions to the LP. In the event that the Fund holds an interest in less than 50% of the capital contributions to the

LP, there is a risk that the LP Agreement could be amended without the Responsible Entity's consent. Any such changes may be adverse to the interests of the Fund, for example, a change to allow further Additional Limited Partners (resulting in dilution of the Fund's interest in the LP). The GP can amend the LP Agreement to satisfy the requirements of any federal or state entity applicable to the LP or the GP, as long as that change minimises any adverse effect on the limited partners. If the GP seeks consent or approval from the limited partners (including with respect to an amendment to the LP Agreement), each limited partner will be deemed to have consented to the amendment unless they respond in writing to the GP that they do not consent, within the time set in the notice. Consent of limited partners is required for amendments to increase capital commitment, increase fee arrangements, and there are other provisions of the LP Agreement that require unanimous approval for amendment. Any amendments would also require the GP's approval.

## 12.2 Administrative Services Agreement

The GP entered into an Administrative Services Agreement with Cordish Services which is described below.

Cordish Services is an affiliated entity of Cordish Private Ventures. Under the terms of the Administrative Services Agreement, Cordish Services will, in return for a fee, provide office space, utilities and administrative services to the GP and the LP and leverage the expertise of other key Cordish executives to assist in administration of the LP. Key services, include, amongst others:

- a) providing administrative, clerical or other personnel;
- b) providing investors in the LP with information concerning their investments, including capital account balances;
- c) maintaining accounting records and financial reports of the GP and the LP; and
- d) assisting with preparing and lodging tax returns.

The administrative services agreement is for a term of 10 years.

## 12.3 Investment Advisory Agreement

The GP has engaged Dixon Asset Management USA, Inc. to act as Investment Manager under an Investment Advisory Agreement which is summarised below.

Under the terms of the investment advisory agreement, the Investment Manager, in return for a fee, is appointed as sole investment manager to render investment advisory and management services to the GP and the Fund. The Investment Manager will, among other things:

- a) obtain information and advice in relation to the economy, securities markets or securities;

- b) manage the assets of the LP in a manner consistent with the investment objective, policies and restrictions of the Company and the LP as may be adopted;
- c) from time to time by the GP, and applicable laws and regulations;
- d) advise on investments to be undertaken or disposed of by the LP;
- e) advise on, and assist with, compliance with Australian laws and regulations; and
- f) advise upon the valuation of the assets of the Fund on a periodic basis.

The initial term of the Investment Advisory Agreement is 10 years, and thereafter the term will continue in effect from year to year subject to the GP approving its continuance at least annually. Unitholder approval is not required, and therefore will not be sought, in relation to each such extension.

The GP may terminate the Investment Advisory Agreement at any time, at its sole discretion, with 30 days' prior written notice and correspondingly, the Investment Manager may terminate the Investment Advisory Agreement at any time with 60 days' prior written notice. In addition, the Investment Manager may terminate the agreement if an insolvency event occurs in relation to the GP. In the event that the Investment Advisory Agreement is terminated, the GP will either appoint a new investment manager or manage the LP's investments internally, at its absolute discretion.

Nothing in the Investment Advisory Agreement restricts the Investment Manager from providing management services to any other person. Additionally, the Investment Advisory Agreement provides no rights to the Investment Manager to be issued Units in the Fund.

As between Cordish Services and the Investment Manager, the GP may pay each party fees for services proportionate to the contribution of resources and services to the GP.

Amendment to the LLC Agreement requires the unanimous agreement of all parties other than amendments necessary to reflect transfers of membership, amendments required to form, qualify or continue the GP as a limited liability company in all jurisdictions in which the GP carries on business or to correct any typographic errors.

## 12.4 LLC Agreement

The LLC Agreement between the GP and its members governs the relationship between the parties with respect to the operations of the GP. The members of the GP comprise DGP, Inc., (part of the Evans Dixon Group) (as to 42.5%) and two affiliates of Cordish Private Ventures (as to 57.5% in aggregate). All material decisions regarding the operations of the GP require the approval of at least 85% of all members.

No member in the GP may transfer any interest in its membership in the GP without the prior consent of the other members. The GP agreement continues until terminated by agreement between the members or upon termination of the LP.



## 13. Additional information

### 13.1 Constitution

The Fund has been registered by ASIC as a managed investment scheme under Chapter 5C of the Corporations Act. The provisions of the Corporations Act can affect the terms of the Constitution and the obligations of the Responsible Entity. The Fund is governed by a constitution (**Constitution**) which has been lodged with ASIC.

Walsh & Company is the responsible entity of the Fund. The respective rights and obligations of the Responsible Entity and the Unitholders are determined by the Constitution and the Corporations Act, together with any exemption and declaration issued by ASIC and the general law relating to trusts. Neither the provision of these laws and rules, nor their effect on the Constitution have been summarised below.

The Constitution is a lengthy and complex document. The following is a summary of the Constitution. Because the summary is brief, Investors should confirm all information by reference to the Constitution itself. If you are unsure about anything, you should seek advice from a financial advisor and examine a copy of the Constitution.

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

- applications for Units and the nature of a Unitholder's interest in the Fund;
- the term of the Fund and Unitholders' entitlements on winding up;
- distributions;
- further issues of Units;
- issue partly paid Units;
- transferability of Units;
- powers of the Responsible Entity;
- Unitholders' meetings;
- Unitholders' liability; and
- the Responsible Entity's fees (see Section 7.1).

#### 13.1.1 Units

The beneficial interest in the Fund is divided into Units. A Unit confers an interest in the Fund's property as a whole – it does not confer an interest in any particular asset. Each Unit confers on its holder the rights to vote at a general meeting and the rights to receive copies of the Fund's financial statements, notices and documents required to be

sent to them under the Constitution and the Corporations Act. The Responsible Entity can issue Units in accordance with the Constitution. The Constitution contains provisions regarding the Responsible Entity's ability to issue different classes of Units.

The Constitution contains provision for calculating the application price of Units, for the first and any future issues.

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

#### 13.1.2 Income

While the Fund is not a public trading trust (i.e. taxed akin to a company) it is expected to be administered so that at the end of each income year its Unitholders are presently entitled to the distributable income of the Fund. The Responsible Entity will generally determine the distributable income of the Fund for each income year based on the net income of the Fund. However, the Responsible Entity may in its sole and absolute discretion determine that the distributable income for the income year will be some other amount, whether income or capital, which the Responsible Entity considers appropriate for the distribution for the income tax year.

The Responsible Entity may also distribute capital of the Fund from time to time. Unitholders on the register on the record date for a distribution are entitled to a share in the Fund's income based on the number of Units held.

A distribution may be paid in cash or assets. The Responsible Entity may deduct from distributions any tax that is required by law to be deducted.

If additional tax, such as US withholding tax, is withheld from any dividend or distributions paid to the Fund as a consequence of the characteristics of any particular Unitholder or Unitholders, including the number or percentage of Units on issue held by any such Unitholders, then that additional tax will be allocated to that Unitholder and will be deducted from the distributable income payable to that Unitholder. Where the income of the Fund is reduced by taxes attributable to the ownership of Units by certain Unitholders, the entitlement to distributable income of such Unitholders may be adjusted by the Responsible Entity so that the entitlement to distributable income of all the other Unitholders is equivalent to the amount they would receive in the absence of such taxes.

### 13.1.3 Partly paid Units

The Responsible Entity has the power to issue partly paid Units. Subject to the Corporations Act, the Responsible Entity may postpone the payment of the capital calls including the final instalment and may extinguish in full or in part any liability of Unitholders in respect of any monies unpaid on the Units. The non-receipt of a notice that the capital calls including the final instalment is due, or the accidental omission to give a Unitholder a notice that the instalment is due, does not invalidate the instalment being due. If a Unitholder does not pay an instalment when due, the Responsible Entity may exercise its powers to forfeit and sell the Units, and the former Unitholder will be paid the proceeds of the sale after deduction of costs. The Responsible Entity is not liable for any loss suffered by the former Unitholder as a result of the sale.

### 13.1.4 Liability of Unitholders

Under the Constitution, except as noted below, a Unitholder's liability is limited to the amount which remains to be paid up on their Units. However, the effectiveness of such provisions has not been tested in superior courts.

A Unitholder may be required to indemnify the Responsible Entity if the Unitholder causes a tax to the Responsible Entity or the Fund, or a cost which results from payments or entitlements to payments to or from the Fund, or requests of the Unitholder.

### 13.1.5 Responsible Entity's powers and duties

The Responsible Entity holds the Fund's assets on trust, and may manage these assets as if it were the absolute and beneficial owner of them, subject only to its duties and obligations to Unitholders.

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

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

### 13.1.6 Management fees payable to the Responsible Entity

In return for the performance of its duties, the Responsible Entity is entitled to be paid out of the Assets within 10 Business Days of the beginning of each month a monthly management fee for operating and administering the Fund equivalent to 1% per annum (plus any applicable GST) of the gross value of the assets plus uncalled amounts on Units calculated as at the end of the month preceding the date of payment of the Management Fee.

The Responsible Entity has partially waived fees that it is entitled to receive.

See Sections 7.2 and 12.1 for details of the fees to be charged.

### 13.1.7 Responsible Entity's indemnities

The Responsible Entity has a right of indemnity out of the Fund property for any liability incurred by it in the proper performance of its duties. This indemnity continues after the Responsible Entity retires or is removed as responsible entity of the Fund and is subject to the Corporations Act (which in certain circumstances may impose limits on the Responsible Entity's right of indemnity).

### 13.1.8 Responsible Entity's limitation of liability

The Constitution provides that while the Fund is a registered scheme, the Responsible Entity is not liable in contract, tort or otherwise to Unitholders for any loss suffered in any way relating to the Fund except to the extent that the Corporations Act imposes such liability.

The Responsible Entity may amend the Constitution from time to time, subject to the Corporations Act. Unitholder approval is required where changes to the Constitution adversely affect Unitholders' rights.

### 13.1.9 Withdrawals will be limited

The Constitution provides for Unitholders to request redemption of their Units while the Fund is liquid, as defined in the Corporations Act, but the Responsible Entity is not obliged to accept or process such requests. Once the Fund's assets are invested through the LP, the Fund is expected to be illiquid, and the Responsible Entity will only be able to redeem Units pursuant to a pro rata withdrawal offer under the Corporations Act.

### 13.2 Compliance plan

A compliance plan has been established which sets out how the Responsible Entity will monitor compliance with both the Corporations Act and the Constitution when operating the Fund. A compliance committee comprising a majority of members who are independent of the Responsible Entity and Walsh & Company monitors the Responsible Entity's compliance with the compliance plan.

### 13.3 Interested dealings

Subject to the Corporations Act, the Responsible Entity must act in the best interests of the members, and if there is a conflict between the members' interests and its own interests, give priority to the members' interests.

The Responsible Entity has procedures in place to identify actual or potential conflicts of interest and to implement measures to address such conflicts, including certain monitoring and reporting obligations. These include (among others) internal procedures to identify, assess and evaluate potential and actual conflict of interest, maintaining a schedule of all potential and actual conflicts on a register of conflicts of interest and putting into place intra-firm barriers or Chinese walls where required. Where a conflict is assessed as being likely to have a material impact, it will be disclosed to the parties concerned in a timely fashion.

Subject to the Corporations Act, the Responsible Entity (and any of its associates) may:

- a) hold Units in the Fund;
- b) deal with itself (as trustee of the Fund or in another capacity), its associates or with any Unitholder;
- c) have an interest in, or enter into, any contract or transaction with itself (as trustee of the Fund or in another capacity), a Unitholder of the Fund or any other person; and
- d) act in the same or similar capacity in relation to any other managed investment scheme or trust.

and may retain any benefit derived by doing so.

### 13.4 Borrowings policy

The Fund's policy is not to undertake borrowings directly or through the LP. While the GP does not currently intend to borrow further funds for investment purposes, the LP Agreement permits the GP to borrow, however, circumstances may occur whereby borrowing by the Fund is deemed beneficial and, should this eventuate, the Fund may borrow. The Responsible Entity intends that any borrowings will be limited to 10% of the total assets of the Fund.

Underlying funds in which the Fund has invested as limited partner may borrow from time to time. As the Fund will not hold a majority interest in these funds, it will not be in a position to exercise any control over such borrowings.

### 13.5 Compliance Framework

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

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

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

### 13.6 Foreign exchange hedging policy

The Fund will receive income streams and may directly or indirectly hold assets which are denominated in US dollars. The Fund's current policy is not to hedge these for currency risk. The Fund may re-evaluate the hedging policy in the event of changes to prevailing exchange rates and economic conditions.

As the majority of the underlying assets of the Fund will be denominated in US dollars and will continue to be denominated in US dollars, the value of the assets held by the Fund expressed in Australian dollars will fluctuate with changes in the exchange rate between the Australian dollar and the US dollar.

### 13.7 Cash policy

The Fund's policy is to hold funds in cash, cash equivalents and interests in cash management trusts pending a call for a capital contribution to be made by the Investment Manager. There is no limitation on the amount of cash that may be retained by the Fund.

### 13.8 Distribution policy

The LP will focus on investments with the potential to deliver capital growth rather than delivering income. Nevertheless, it is the Fund's policy to distribute 100% of its distributable income for each income year, including realised capital gains, that it receives subject to the Fund's working capital requirements consistent with good fiscal operating policy and management and such other needs as the Responsible Entity, in its reasonable discretion, deems necessary. The Responsible Entity intends to make yearly distributions, if any, but may make more regular distributions if appropriate.

The ability of the Fund to distribute income received from investments made by the Investment Manager will depend on the receipt of income from the underlying investments of the LP as well as payment of distributions authorised by the GP to the limited partners and interest income derived by the Fund from investment of its cash, pending calls on its capital commitments to the LP.

The Responsible Entity is unable to give specific assurances to investors concerning the future payment of distributions because the timing of realisation of private investments is uncertain.

### 13.9 Valuation policy

The LP will value its interests in underlying private investments based on the valuations and financial reports provided by the underlying fund managers (in accordance with industry practice), unless the Investment Manager reasonably believes that those amounts should be adjusted. Regular third party valuations of investments of the LP will not be undertaken unless the Investment Manager considers it appropriate.

### 13.10 Key corporate governance policies

#### a) Corporate governance

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

#### b) Continuous review of governance

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

#### c) Continuous disclosure

The Fund is expected to be a disclosing entity for the purposes of the Corporations Act, and as such expects to be subject to regular reporting and disclosure obligations.

While the Fund is a disclosing entity, you have a right to obtain a copy of:

- (i) the annual financial report most recently lodged with ASIC by the scheme;
- (ii) any half-year financial reports lodged with ASIC by the scheme after the lodgment of that annual financial report and before the date of the PDS; and
- (iii) any continuous disclosure notices given by the scheme after the lodgment of that annual report and before the date of the PDS.

Copies of documents lodged with ASIC in relation to the Fund may be obtained from or inspected at an office of ASIC. The Responsible Entity will also provide a copy of the above free of charge on request.

### 13.11 Anti-Money Laundering and Counter-Terrorism Financing Act 2006

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

### 13.12 Foreign Account Tax Compliance

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

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

provisions, Reporting Australian Financial Institutions have due diligence and reporting obligations.

The Responsible Entity, on behalf of the Fund, is a reporting Australian Financial Services Institution under the IGA.

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

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

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

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

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

### 13.13 Common Reporting Standard

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

The Fund will be Australian Financial Institution under CRS. The Responsible Entity, on behalf of the Fund, intends to fully comply with the CRS obligations and any associated guidance from the ATO.

These obligations include (but are not limited to) the Responsible Entity documenting the status of Investors that are non-residents of Australia and certain entities controlled by non-residents of Australia. The Responsible Entity is then obligated by law to report certain information on applicable investors to the ATO which may in turn report this information to the tax authority in the applicable jurisdictions.

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

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

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

### 13.14 Privacy

When you apply to invest in the Fund, you acknowledge and agree that:

- a) You are required to provide the Responsible Entity with certain personal information to:
  - i. facilitate the assessment of an Application;
  - ii. enable the Responsible Entity to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and
  - iii. carry out appropriate administration.
- b) The Responsible Entity may be required to disclose this information to:
  - i. third parties who carry out functions on behalf of the Fund on a confidential basis;
  - ii. third parties if that disclosure is required by law; and
  - iii. related bodies corporate (as that term is defined in the Corporations Act) which carry out functions on behalf of the Fund.

We are unlikely to disclose personal information to overseas recipients. In some circumstances, we may need to obtain your consent before this occurs. Our policy is to only use

cloud or other types of networked or electronic storage where infrastructure is physically located in Australia. We have carried out our due diligence regarding our cloud service providers and have entered into suitable contractual arrangements with them.

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

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

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

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

### 13.15 Reports to Unitholders

The Responsible Entity intends to provide Unitholders with:

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

The Responsible Entity will also comply with all laws as they relate to reports to be provided to Unitholders. For further information, please visit [www.cordishdixonfunds.com.au](http://www.cordishdixonfunds.com.au).

### 13.16 Unit prices

When the Responsible Entity issues Units, it will exercise any discretion it has under the Constitution in relation to unit pricing in accordance with its unit pricing discretions documentation. You can obtain a copy of any unit pricing

discretions documentation at any time on request, at no charge, by contacting us on 1300 454 801.

### 13.17 Consents

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

- Dixon Asset Management USA, Inc. in relation to Sections 1.1 and 3;
- Deloitte Corporate Finance Pty Limited in relation to Section 9; and
- KPMG in relation to Section 10.

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

References are also made in this PDS to entities that have certain dealings with the Responsible Entity in respect of the Fund. These entities have been referred to for information purposes only.

They did not authorise or cause the issue of this PDS and have had no involvement in the preparation of any part of this PDS. None of these named firms, companies or entities makes any offer of Units. They include:

- King & Wood Mallesons;
- Boardroom Pty Limited; and
- Deloitte Touche Tohmatsu in relation to references as auditor of the Fund.

### 13.18 Complaints

The Responsible Entity seeks to resolve complaints over the management of the Fund to the satisfaction of Unitholders.

You may lodge complaints in writing to the Responsible Entity at the address shown in the Directory in Section 15. The Constitution provides that complaints will be acknowledged immediately or as soon as practical and responded to not more than 45 days after receipt by the Responsible Entity.

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





## 14. Glossary

<b>A\$ or \$</b>	Australian dollars
<b>Additional Limited Partners</b>	Limited partners added to the LP following the initial limited partners (the current limited partners are the Fund and Cordish Private Ventures)
<b>Administrative Services Agreement</b>	The agreement between the GP and Cordish Services in relation to the provision of administrative services and back office infrastructure
<b>Advisory Board</b>	The Advisory Board of the Investment Manager
<b>AEDT</b>	Australian Eastern Daylight Time
<b>AFSL</b>	Australian Financial Services Licence
<b>Applicant</b>	An applicant for Units under this PDS
<b>Application</b>	An application for Units pursuant to this PDS
<b>Application Form</b>	An application form in the form attached to this PDS and the online Application Form available at <a href="http://www.cordishdixonfunds.com.au">www.cordishdixonfunds.com.au</a>
<b>Application Monies</b>	The Application Price multiplied by the number of Units applied for
<b>Application Price</b>	\$1.60 for each Unit applied for
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ATO</b>	The Australian Taxation Office (the principal revenue collection agency for the Australian Government in charge of administering the Australian taxation system)
<b>Business Day</b>	A day, other than a Saturday or Sunday, on which banks open for general banking business in Sydney
<b>CGT</b>	Capital gains tax
<b>Code</b>	The US Internal Revenue Code of 1986, as amended
<b>Constitution</b>	The constitution of the Fund
<b>Cordish Companies</b>	The Cordish Companies and its subsidiaries
<b>Cordish Private Ventures</b>	Cordish Private Ventures, LLC
<b>Cordish Services</b>	Pratt Street Services Corporation, LLC
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>CRS or Common Reporting Standard</b>	A set of standardised rules developed by the OECD that requires financial institutions resident in a participating jurisdiction to implement due diligence procedures to document and identify reportable accounts, as well as report information on those accounts to their local tax authority
<b>Directors</b>	The board of directors of the Responsible Entity
<b>Double Tax Treaty</b>	The US protocol signed in Canberra on 27 September 2001, which amends the Convention of 6 August 1982 between Australia and the US of America for the Avoidance of Double Taxation

<b>Evans Dixon Group or Evans Dixon</b>	Evans Dixon Limited (ACN 609 913 457) and its subsidiaries
<b>FATCA</b>	Foreign Account Tax Compliance Act, a US tax law aimed at financial institutions and other financial intermediaries to prevent tax evasion by US citizens and other United States tax residents through use of non-US investments and accounts
<b>First Instalment</b>	The first instalment payment of the Units of \$0.32 payable on Application
<b>Fund</b>	Cordish Dixon Private Equity Fund IV (ARSN 624 474 531)
<b>Fund I</b>	Cordish Dixon Private Equity Fund (ARSN 158 625 284)
<b>Fund II</b>	Cordish Dixon Private Equity Fund II (ARSN 162 057 089)
<b>Fund III</b>	Cordish Dixon Private Equity Fund III (ARSN 612 132 813)
<b>General Partner or GP</b>	U.S. Select Private Opportunities Fund IV GP, LLC
<b>GST</b>	The value added tax, if any, on goods and services and other things payable in accordance with the GST Act or another relevant and applicable legislation or law in Australia
<b>GST Act</b>	<i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth)
<b>Hurdle Rate</b>	Minimum rate of return for the GP's entitlement to the performance fee equal to a cumulative, non-compounded, pre-tax return of 8% per annum on all capital contributed to the LP (and not yet returned by distribution to limited partners)
<b>Investment Manager</b>	Dixon Asset Management USA, Inc.
<b>Investment Advisory Agreement</b>	The investment advisory agreement between the GP and the Investment Manager dated 12 March 2018
<b>Investor</b>	A successful Applicant or an investor in Units
<b>Issue Date</b>	The date of issue of Units to Unitholders following the Offer Closing Date
<b>Licensee</b>	A holder of an AFSL who has introduced an Applicant to the Offer. Such Licensees may include a related party of the Responsible Entity such as Dixon Advisory & Superannuation Services Limited (ACN 103 071 665) (AFSL 231 143) and Evans and Partners Pty. Ltd. (ACN 125 338 785) (AFSL 318 075), each a related party of the Responsible Entity
<b>LLC Agreement</b>	The agreement between the GP and its shareholders dated 24 August 2017
<b>LP</b>	U.S. Select Private Opportunities Fund IV, LP, a Cayman Islands exempted limited partnership.
<b>LP Agreement</b>	The amended and restated limited partnership agreement governing the LP dated 1 January 2018
<b>Minimum Subscription</b>	A minimum subscription of \$50 million (31.25 million Units) must be raised by the Offer Closing Date.
<b>NAV</b>	Net asset value
<b>OECD</b>	The Organisation for Economic Co-operation and Development
<b>Offer</b>	The offer of Units under this PDS to raise gross proceeds of up to \$100 million with the ability to accept oversubscriptions up to an additional maximum of \$100 million
<b>Offer Closing Date</b>	The date by which valid acceptances must be received by the Responsible Entity being 27 March 2018 or such other date determined by the Responsible Entity in its absolute discretion

<b>Offer Opening Date</b>	The first date Applications can be accepted under this PDS, being 13 March 2018
<b>PDS</b>	This product disclosure statement dated 13 March 2018
<b>Registry</b>	Boardroom Pty Limited (ACN 003 209 836)
<b>Responsible Entity</b>	Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 433)
<b>RITC</b>	Reduced input tax credit arising under the GST Act
<b>Securities Act</b>	<i>US Securities Act of 1933</i>
<b>US\$</b>	US dollars
<b>Unit</b>	A unit in the Fund
<b>Unitholder</b>	A holder of a Unit
<b>US</b>	<i>The United States of America</i>
<b>US Person</b>	Any "US Person" as defined in Regulation S under the <i>US Securities Act of 1933</i>
<b>Walsh &amp; Company</b>	Walsh & Company Investments Limited (ACN 152 367 649)
<b>WSJ Prime Rate</b>	The Wall Street Journal Prime Rate

## 15. Directory

### Fund

#### **Cordish Dixon Private Equity Fund IV**

(ARSN 624 474 531)

Level 15, 100 Pacific Highway  
NORTH SYDNEY NSW 2060

**T:** 1300 454 801

**F:** 1300 883 159

**E:** [info@cordishdixonfunds.com.au](mailto:info@cordishdixonfunds.com.au)

[www.cordishdixonfunds.com.au](http://www.cordishdixonfunds.com.au)

### Responsible Entity

#### **Walsh & Company Investments Limited**

(ACN 152 367 649) (AFSL 410 433)

Level 15, 100 Pacific Highway  
NORTH SYDNEY NSW 2060

**T:** 1300 454 801

**F:** 1300 883 159

**E:** [info@walshandco.com.au](mailto:info@walshandco.com.au)

[www.walshandco.com.au](http://www.walshandco.com.au)

### Auditor

#### **Deloitte Touche Tohmatsu**

Grosvenor Place, 225 George Street  
SYDNEY NSW 2000

### Investigating Accountant

#### **Deloitte Corporate Finance Pty Limited**

Grosvenor Place, 225 George Street  
SYDNEY NSW 2000

### Australian Tax Advisor

#### **KPMG**

Level 38, Tower Three  
300 Barangaroo Avenue  
Sydney NSW 2000

### Australian Legal Advisor

#### **King & Wood Mallesons**

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

### Unit Registry

#### **Boardroom Pty Limited**

Level 12, 225 George Street  
SYDNEY NSW 2000

**T:** 1300 737 760

**F:** 1300 653 459

**E:** [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

## 16. How to invest

### 16.1 Applications

To make an application for Units in the Fund, you must use the Application Form (being the hard copy form made available with this PDS or the online Application Form available from [www.cordishdixonfunds.com.au](http://www.cordishdixonfunds.com.au) and complete the Application Form in accordance with the instructions contained within the Application Form.

Applications for Units under the Offer received after 5:00pm (AEDT) on the Offer Closing Date will not be accepted and will be returned to Investors.

The minimum investment is 1,250 Units equating to \$2,000.00.

Applications must be accompanied by payment in Australian currency. Applications made using the online Application Form must submit payment via BPAY.

Cheques should be made payable to “**Cordish Dixon Private Equity Fund IV**” and crossed “**Not Negotiable**”. Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. The amount payable on Application will not vary during the period of the Offer and no further amount is payable on the issue of Units. No brokerage or stamp duty is payable by Applicants.

Completed hard copy Application Forms and accompanying cheques may be lodged with:

#### POSTAL

Cordish Dixon Private Equity Fund IV Offer  
c/- Walsh & Company Investments Limited  
GPO Box 575  
CANBERRA ACT 2601

#### HAND DELIVERED

##### Canberra

Cordish Dixon Private Equity Fund IV Offer  
c/- Walsh & Company Investments  
Limited Level 1, 73 Northbourne Avenue  
CANBERRA ACT 2600

##### Sydney

Cordish Dixon Private Equity Fund IV Offer  
c/- Walsh & Company Investments Limited  
Level 15, 100 Pacific Highway  
NORTH SYDNEY NSW 2060

or

c/- Evans and Partners  
Level 5, 5 Martin Place  
SYDNEY NSW 2000

##### Melbourne

Cordish Dixon Private Equity Fund IV Offer  
c/- Walsh & Company Investments Limited  
Level 2, 250 Victoria Parade  
EAST MELBOURNE VIC 3002

or

c/- Evans and Partners  
Mayfair Building  
171 Collins Street  
MELBOURNE VIC 3000

##### Brisbane

Cordish Dixon Private Equity Fund IV Offer  
c/- Walsh & Company Investments Limited  
Level 4, 1 Eagle Street  
BRISBANE QLD 4000

Application Forms will be accepted at any time after the Offer Opening Date and prior to 5:00pm (AEDT) on the Offer Closing Date.

The Responsible Entity may close the Offer at any time without prior notice or extend the period of the Offer.

### 16.2 Offer not underwritten

The Offer is not underwritten.

### 16.3 Issue of Units

It is expected that issue of Units under the Offer will take place on or around 6 April 2018. Application Monies will be held in the Responsible Entity's applications trust account until Units are issued. The Responsible Entity may retain any interest earned on the Application Monies pending the issue of Units to Investors.

The Application constitutes an offer by the Applicant to subscribe for Units on the terms and subject to the conditions set out in this PDS and the Constitution, which may be accepted or rejected by the Responsible Entity in its discretion. Where the number of Units issued is less than the number applied for, or where no Units are issued, the surplus Application Monies will be returned within seven

days of the Offer Closing Date. Interest will not be paid on refunded Application Monies to Applicants.

## **16.4 Overseas Applicants**

Only Applicants who have a permanent address in Australia can participate in the Offer. The Offer does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer. It is the Responsible Entity's intention, and, to the extent within its control, that the Responsible Entity shall use its commercially reasonable efforts to ensure that the Units not be resold to any persons, including US Persons (as defined), other than persons who have a permanent address in Australia.

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



Walsh & Company Investments Limited (ACN 152 367 649)  
(AFSL 410 433) as Responsible Entity of Cordish Dixon Private  
Equity Fund IV (ARSN 624 474 531)

## Application Form

### CORDISH DIXON PRIVATE EQUITY FUND IV

BROKER CODE

ADVISOR CODE

Fill out this Application Form if you want to apply for Units in the Cordish Dixon Private Equity Fund IV.

- Please read the Product Disclosure Statement dated 13 March 2018 (**PDS**).
- Follow the instructions to complete this Application Form (see over).
- Print clearly in capital letters using black or blue pen.

OFFER CLOSES **27 MARCH 2018**

#### IMPORTANT—PLEASE NOTE

*The Responsible Entity may be required under the Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth) or any other law to obtain identification information from Applicants. The Responsible Entity reserves the right to reject any Application from an Applicant who fails to provide identification information upon request.*

#### A NUMBER OF UNITS YOU ARE APPLYING FOR

x \$1.60 per Unit

#### B TOTAL COMMITMENT (Your total exposure to this investment)

\$

x \$0.32 per Unit

#### C FIRST INSTALMENT (To be paid on application)

\$

(Minimum application 1,250 units (\$2,000.00))

**PLEASE NOTE: If applying for units in Cordish Dixon Private Equity Fund IV, only the first instalment of \$0.32 is to be paid on application.**

**Section A** is the number of Units you are applying for (not less than 1,250).

**Section B** is the total commitment payable through capital calls throughout the investment life. To calculate the Total Commitment amount, multiply the number of units in **Section A** by the issue price per Unit of \$1.60 (not less than \$2,000.00).

**Section C** is the portion of the Total Commitment (**Section B**) payable on your application. To calculate the First Instalment (**Section C**), multiply the number of units in **Section A** by the capital call per Unit amount of \$0.32

Please only attach payment for the amount in **Section C**.

#### D WRITE THE NAME/S YOU WISH TO REGISTER THE UNITS IN

Applicant 1

Applicant 2 or Account Designation

Applicant 3 or Account Designation

#### E POSTAL ADDRESS

Number / Street Name

Suburb / Town

State

Postcode

#### F ENTER YOUR AUSTRALIAN TAX FILE NUMBER/S, ABN, OR EXEMPTION CATEGORY

Applicant 1

Applicant 2

Applicant 3

Exemption Category

#### G HANDLING FEE

☐ By checking this box, I/we authorise the Responsible Entity to pay the following Licensee who I/we now specify as my/our Advisor

Advisor name (or insert "not applicable")

Advisor address

1.6500% (inclusive of GST) of the gross proceeds of the Offer which I/we now specify as my/our handling fee in respect of this Application and (where applicable) I/we authorise the Advisor to hold any handling fee on trust to pay to the following person who I/we now specify as my/our Representative.

Representative name (or insert "not applicable")

Representative address

the amount (if any) specified in the Advisor Disclosure Document which I/we have received from my/our Advisor or Representative, each fee or amount being in relation to the information, assistance and services my/our Advisor or Representative has provided to me/us in relation to acquiring the Units.

**H FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) & COMMON REPORTING STANDARD (CRS)**

In order for the US Select Private Opportunities Fund III to comply with its FATCA and CRS obligations, the Responsible Entity is obligated to request certain information from its investors. Certain information collected will be reported to the Australian Tax Office (ATO), which will in turn report to the US Internal Revenue Service and/or the tax authority in the applicable jurisdictions. Section 13.12 and 13.13 of the PDS provides further information on FATCA and CRS. See page 4 of this Application Form for defined terms used below.

**SECTION I – INDIVIDUALS**

Please fill this Section I only if you are an individual. If you are an entity, please fill Section II.

1 Are you a US citizen or resident of the US for tax purposes?

☐ **NO** (Continue to Question 2)

☐ **YES** (Provide your Taxpayer Identification Number (TIN) below.  
Continue to Question 2)

**TIN**

2 Are you a tax resident of any other country outside of Australia?

☐ **NO** (Continue to Section H)

☐ **YES** (Provide the details below and continue to Section H. If you are a resident in more than one jurisdiction, please include details for all jurisdictions.)

Country of Tax Residence	Tax Identification Number (TIN) or equivalent	Reason Code if no TIN provided

If a TIN or equivalent is not provided, please provide reason from the following options:

- Reason A: The country/jurisdiction where the individual is resident does not issue TINs to its residents.
- Reason B: The individual is otherwise unable to obtain a TIN or equivalent number. (Please explain why the individual is unable to obtain a TIN in the below table if you have selected this reason.)
- Reason C: No TIN is required. (Note: Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of a TIN issued by such jurisdiction.)

If Reason B has been selected above, explain why you are not required to obtain a TIN

**SECTION II – ENTITIES**

Please fill in this Section II only if you are an entity. If you are an individual, please fill Section I.

3 Are you an Australian retirement fund, such as a self-managed superannuation fund, retail super fund or industry super fund?

☐ **YES** (Continue to Section H)

☐ **NO** (Continue to Question 4)

4 Are you a family trust or private company only tax resident in Australia, with 50% or more of gross income in the preceding calendar year being passive and 50% or more of the assets held in the preceding calendar year held for the production of passive income?

☐ **YES** (Continue to Question 5)

☐ **NO** (We may contact you for more information)

5 Does one or more of the following apply to you:

- Is any natural person that exercises control over you (for corporations, this would include directors or beneficial owners who ultimately own 25% or more of the share capital) a tax resident of any country outside of Australia?
- If you are a trust, is any natural person including trustee, protector, beneficiary, settlor or any other natural person exercising ultimate effective control over the trust a tax resident of any country outside of Australia?

☐ **NO** (Continue to Section H)

☐ **YES** (We may contact you for more information)

**I PLEASE ENTER DETAILS OF THE CHEQUE/S THAT ACCOMPANY THIS APPLICATION FORM:**

Drawer		Cheque No.		BSB No.		Acc No.		
Drawer		Cheque No.		BSB No.		Acc No.		
Total A\$								

**J CONTACT TELEPHONE NUMBER (DAYTIME / WORK / MOBILE)**

**K EMAIL ADDRESS**

**L UNITHOLDER COMMUNICATIONS**

All correspondence will be sent electronically unless legally required otherwise or unless the box below is ticked:

Printed copy of Unitholder communications required ☐

## **M** ANNUAL REPORTS

Annual reports will be published on the Fund's website. If you still wish to receive a copy free of charge, all correspondence will be sent electronically unless legally required or the box below is ticked.

Printed copy (posted) ☐

## **N** INFORMATION FROM THE RESPONSIBLE ENTITY

☐ Please check this box if you wish to receive information about other investment opportunities or products from the Responsible Entity or entities related to the Responsible Entity.

By submitting this Application Form, I/we declare that this Application Form is completed and lodged according to the PDS and the instructions on the Application Form and declare that all details and statements made by me/us are complete and accurate.

I/We agree to be bound by all the terms of the constitution of the Cordish Dixon Private Equity Fund IV, including the terms relating to partly paid Units. I/We received the PDS together with the Application Form or a print out of them.

**I/We acknowledge that I/we understand that this investment in partly paid Units carries the obligation to pay calls on the partly paid Units, and that failure to pay calls on time may result in forfeiture of my/our Units.**

I/We represent, warrant and undertake to the Fund that our subscription for the above Units will not cause the Fund or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Units in the Fund.

## **Declaration**

By submitting this Application Form with your Application Monies, I/we declare that I/we:

- apply for the number of Units that I/we specified in Section A above (or a lower number allocated in a manner allowed under the PDS);
- am/are over 18 years of age;
- acknowledge that neither the Responsible Entity nor any other person or entity guarantees any particular rate of return on the Units, nor do they guarantee the repayment of capital;
- acknowledge, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person;
- represent, warrant and agree that I/we have not received the PDS outside Australia and am/are not acting on behalf of a person resident outside Australia unless the Units may be offered
- in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register any of the PDS, the Units or the Offer; and
- have read and understand the PDS including the risks.

## **Lodgement**

Deliver your completed Application Form with cheque/s attached (made payable to Cordish Dixon Private Equity Fund IV Trust Account and marked "not negotiable") attached to the following address:

Cordish Dixon Private Equity Fund IV  
c/- Walsh & Company Investments Limited

### **POSTAL**

GPO Box 575  
Canberra ACT 2601

### **HAND DELIVERED**

**Canberra** Level 1, 73 Northbourne Avenue, Canberra ACT 2601

**Sydney** Level 15, 100 Pacific Highway, North Sydney NSW 2060  
Level 5, 5 Martin Place, Sydney NSW 2000

**Melbourne** Level 2, 250 Victoria Parade, East Melbourne VIC 3002  
Mayfair Building, 171 Collins Street, Melbourne VIC 3000

**Brisbane** Level 4, 1 Eagle Street, Brisbane City QLD 4000

It is not necessary to sign or otherwise execute the Application Form. If you have any questions as to how to complete the Application Form, please contact Walsh & Company Investments Limited on 1300 454 801.

Privacy Statement: Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a Unitholder (including your name, address and details of the Units you hold) to be included in the public register of the entity in which you hold Units. Information is collected to administer your Unit holding and if some or all of the information is not collected then it might not be possible to administer your Unit holdings. Your personal information may be disclosed to the entity in which you hold Units. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website ([www.boardroomlimited.com.au/privacy.html](http://www.boardroomlimited.com.au/privacy.html))

## Guide to the Application Form

### YOU SHOULD READ THE PDS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of the appropriate Application Form using **BLOCK LETTERS**. These instructions are cross-referenced to each section of the Application Form. Please note that capitalised terms have the same meanings given to the names in the Glossary.

<b>A</b>	Enter the number of Units you are applying for (not less than 1,250).
<b>B</b>	To calculate the <b>Total Commitment</b> amount, multiply the number of units you wish to apply for ( <b>Section A</b> ) by the issue price per Unit of <b>\$1.60</b> (not less than \$2,000.00).
<b>C</b>	To calculate the <b>First Instalment</b> , multiply the number of units you wish to apply for ( <b>Section A</b> ) by the capital call per Unit amount of <b>\$0.32</b> .
<b>D</b>	Write your <b>full name</b> . Initials are not acceptable for first names.
<b>E</b>	Enter your <b>postal address</b> for all correspondence. All communications to you from the Fund will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
<b>F</b>	Enter your <b>Australian tax file number</b> (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
<b>G</b>	Enter the name and address of the Licensee who is assisting you in this Application, and if applicable their representative. Check the box to authorise the payment of the Handling Fee Share.
<b>H</b>	<b>FATCA definitions</b> <ul style="list-style-type: none"> <li>• <b>US Citizen</b> means a citizen of the United States of America.</li> <li>• <b>Resident of the US for Tax Purposes</b> includes (but is not limited to) someone who has a lawful permanent resident status in the United States (e.g. a "green card" holder) or someone who is considered a US taxpayer under the applicable US tax laws.</li> </ul>
<b>I</b>	Complete cheque details as requested. Make your cheque payable to " <b>Cordish Dixon Private Equity Fund IV Trust Account</b> " and crossed " <b>Not Negotiable</b> ". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
<b>J</b>	Enter your <b>telephone number</b> so we may contact you regarding your Application Form or Application.
<b>K</b>	Enter your <b>email address</b> so we may contact you regarding your Application Form or Application or other correspondence.
<b>L &amp; M</b>	The Fund encourages you to receive Unitholder correspondence and the Annual Report electronically. The benefits to Unitholders are in the potential cost savings and the faster delivery of information. The benefits to the environment are also substantial.

## Correct Forms of Registrable Title

Note that **ONLY** legal entities can hold the Units. The Application must be in the name of a natural person/s, companies or other legal entities acceptable to the Responsible Entity. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

TYPE OF INVESTOR	CORRECT FORM OF REGISTRABLE TITLE
<b>Individual</b>	Mr John David Smith
<b>Company</b>	ABC Pty Ltd
<b>Joint Holders</b>	Mr John David Smith & Mrs Mary Jane Smith
<b>Trusts</b>	Mr John David Smith <J D Smith Family A/C>
<b>Deceased Estates</b>	Mr Michael Peter Smith <Est Late John Smith A/C>
<b>Partnerships</b>	Mr John David Smith & Mr Ian Lee Smith
<b>Clubs/Unincorporated Bodies</b>	Mr John David Smith <Smith Investment A/C>
<b>Superannuation Funds</b>	John Smith Pty Limited <J Smith Super Fund A/C>



