

INFORMATION MEMORANDUM

INFRASTRUCTURE OPPORTUNITIES FUND 1



September 2024

YCFG

YELLOWCHIP
FUNDS GROUP

secure . invest . partner

TRUSTEE

QUAY WHOLESALE FUND SERVICES PTY LTD
ACN 647 044 602 | AFSL 528526

INVESTMENT MANAGER

YELLOWCHIP INVESTMENT MANAGEMENT PTY LTD
ACN 680 180 081 | CAR 001311088

WELCOME TO A NEW CATEGORY OF INVESTMENT

IMPORTANT INFORMATION

INVESTMENT MANAGER

YELLOWCHIP INVESTMENT MANAGEMENT PTY LTD
CAR 001311088
ACN 680 180 081

LEVEL 2B 10 FINCHLEY ST
MILTON QLD 4064 AUSTRALIA

TRUSTEE

QUAY WHOLESALE FUND SERVICES PTY LTD
AFSL 528526
ACN 647 044 602

SUITE 3701, LEVEL 37, 1 MACQUARIE PLACE
SYDNEY NSW 2000 AUSTRALIA

This Information Memorandum (IM) is dated 23 September 2024 and is issued by QUAY WHOLESALE FUND SERVICES PTY LTD, ACN 647 044 602 ('Trustee') as the trustee of the Infrastructure Opportunities Fund 1 ('Trust'). The Trustee has been established as an independent provider of trustee services to wholesale funds.

YELLOWCHIP INVESTMENT MANAGEMENT PTY LTD, ACN 680 180 081, CAR 001311088 ('Investment Manager', 'we', 'us', 'YCIM') is the investment manager of the Trust. Units in the Trust (Units) are offered and issued by the Trustee subject to the Trust Deed of the Trust, and on the terms and conditions described in this Information Memorandum (the 'Offer').

WHO CAN INVEST

The offer to which this IM relates is only available to persons receiving the IM in Australia; and who qualify as Wholesale Clients under section 761G and section 761GA of the Corporations Act. The IM does not constitute an offer of the Trust in any place in which, or to any person to whom, it should not be lawful to make an offer of the Trust. The distribution of the IM in jurisdictions outside Australia may be restricted by law, and any person who resides outside Australia and who comes into possession of the IM should seek advice about it and observe any restrictions.

DISCLAIMER

This IM is not a disclosure document under the Corporations Act and has been prepared for use by wholesale or professional investors only.

This document is not required to be and has not been lodged with the Australian Securities and Investments Commission (ASIC), and neither ASIC nor any of its officers taken any responsibility for the contents of the IM.

This IM is an important document which you should read before making a decision to acquire the Units. A document of this kind cannot however take into account your investment objectives, financial situation or particular needs, and nothing in this IM should be regarded as a recommendation by the Trustee or by any other person concerning an investment in the Trust. Having considered the information in the IM, you should obtain independent financial and taxation advice as to the suitability of an investment in the Units for you, having regard to your investment objectives, financial situation and particular needs.

DEFINITIONS

Some expressions used in this IM are defined in the Definitions section on page 20. Unless the context requires otherwise, words used in the IM have the meaning given in the Definitions.

HOW TO INVEST AND UPDATED INFORMATION

This IM is only available in electronic form. If you wish to invest, you must complete the Application Form included in the IM or an electronic version of such form, and submit it as set out in accordance with the instructions set out in the Application Form.

Updated information relating to this IM will be made available promptly. You can access this information at www.quayfund.com.au. Alternatively, you can request copy of this information free by contacting the Trustee on 1300 114 980.

The information that will be made available by way of updates is information which is subject to change from time to time and is not materially adverse to you. If a change in information is materially adverse to you, the Trustee will replace this IM or issue a supplementary IM.

APPLY ONLINE

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FEATURES AT A GLANCE

TYPE OF INVESTMENT	Wholesale Unit Trust or Unregistered Managed Investment Scheme (MIS)
INVESTMENT MANAGER	YELLOWCHIP INVESTMENT MANAGEMENT PTY LTD
TRUSTEE	QUAY WHOLESALE FUND SERVICES PTY LTD
TRUST DESCRIPTION	The Trust invests in mine site infrastructure for the purchase, lease, and sale back of assets.
INVESTMENT OBJECTIVES	To provide Investors access to an Asset with opportunity for high income over a 13 month term.
INVESTMENT STRATEGY	<p>The Infrastructure Opportunities Fund 1 is a Trust created to Purchase, Lease, and Sell Back (PLS) a four (4) year old (average age) mining camp and other ancillary equipment over a 13 month term. The mining camp and other ancillary equipment will be purchased for \$2.4 million including GST. The monthly lease instalments for the term are forecast to generate an attractive annualised return for investors, with appropriate risk mitigations considered regarding valuations, resale of assets or ongoing management of the asset as a going concern.</p> <p>Following the success of the first PLS offered to Linden Gold, the Company approached us to commence another PLS Agreement to support their growth and consolidation strategy.</p> <p>The acquisition of the Asset by the Trust ensures a secured and tangible asset backing with an inherent asset value if Linden Gold defaults on the PLS.</p>
TARGET RETURN	17.00% over the 13 month term ^
INVESTMENT TERM	Up to 13 months with Early Termination provisions.
MINIMUM INITIAL INVESTMENT	\$250,000
DISTRIBUTIONS	Distributions will be made quarterly and within 60 days of the completion of the Financial Year or within 60 days of the successful completion of the PLS. Any change in distribution periods will be communicated with investors in line with the determined actions to realise the sale of the mining camp. Investors will have their distributions paid directly to their nominated account via electronic funds transfer.
ENTRY/EXIT FEE	Nil

^ Assuming the ordinary execution of the stated PLS of the Asset. Should Early Termination of the PLS occur, the Target Return may be less. Target returns net of fees are not forecast or guaranteed returns. Terms, conditions, and risks apply.

TRUST TERM AND REDEMPTIONS

Following the Redemption Date, the Trust will be terminated, and the net proceeds of the Trust will be distributed to Investors under the Trust Deed. Redemptions will be paid at the Exit Price. New opportunities may be available to Unit Holders in similar managed investment schemes operated by the Investment Manager.

UNIT AND TRUST VALUATIONS

Applications and redemptions will be at the Entry Price and Exit Price respectively. The first Units will be issued at \$1.00, with subsequent Units issued at the current Entry Price.

ORIGINATION FEE*

1% of NAV.

MANAGEMENT FEE*

2.15% p.a. of NAV of the Trust at commencement of the investment. Calculated and paid monthly, in arrears, from the Trust.

EXPENSE RECOVERIES*

Properly incurred Trust expenses and liabilities may be reimbursed from the Trust. See page 13, **Fees And Costs**, for details.

RISKS

All investments involve a certain amount of risk. See **Understanding The Risk** section on page 12 for further details.

*Unless otherwise stated, all fees quoted in this IM are exclusive of Goods and Services Tax (GST).

OVERVIEW

This unique investment provides wholesale and sophisticated investors with a opportunity for high income over a 13 month term.

Structured using a Purchase, Lease and Sell Back (PLS), the Trust intends to purchase a modern, operational mining camp and other ancillary equipment from the existing owner and sell it back after a 13 month term via an obligation to purchase entered into by the current owner. The mining camp and other ancillary equipment will be purchased for \$2.4 million including GST. The monthly lease instalments for the term are forecast to generate an attractive annualised return for investors. This strategy provides the current owner, Linden Gold, with liquidity to support the growth and consolidation strategy post the merger with Brightstar.

The Trust will open on Monday, 3 June 2024, for Investors. The proposed transaction (PLS) will be for a 13 month term, with the repurchase obligation to be completed in July 2025. The Trust closure, allowing redemptions and distributions, is dependent on Linden Gold completing its obligations under the PLS. Should Linden Gold not complete their obligations under the PLS, any subsequent time required to conclude a direct-to-market sale by the Trust will impact the timing of redemptions and distributions.

THE ASSET

A four (4) year old (average age) mining camp owned by Linden Gold, which has a present Fair Market Value of \$3,245,500. Constructed in 2018, the camp underwent a major refurbishment and expansion in 2021 and comprises accommodation (with and without ensembles), ablution blocks, wet mess, offices/cribs, gym, recreation room, first aid room, freezer, coolroom, and heavy vehicle workshop. These structures are considered transferable and saleable to miners.

The mining camp is a critical piece of infrastructure for the ongoing operation of the Second Fortune Gold Mine and is presently utilised by the miner and other smaller mining operations in the area. It is located beside the Company's airstrip approximately 100km south-east of Leonora in Western Australia.

ABOUT THE MINER

Linden Gold was incorporated in Australia in August of 2020 and is a medium-sized, public, unlisted gold miner with strategic and valuable assets in the South Laverton region of Western Australia. Linden Gold's assets include the active Second Fortune underground mining operation, which produces circa 18,000 oz gold per annum. The Company recently expanded in size with the Jasper Hills project via its merger with Lord Byron Mining, consistent with the Company's strategy to consolidate in the South Laverton Region.

Brightstar Resources (Brightstar, ASX: BTR) is a gold exploration and development company, based in Perth, Western Australia and listed on the Australian Stock Exchange.

On 28 May 2024, Brightstar, as part of a strategic growth plan to become a substantial ASX gold producer, completed an off-market takeover of all the fully paid ordinary shares and options in Linden Gold. Due to the proximity of assets, associated infrastructure, and near-term production opportunities, the newly merged entity is expecting synergies in terms of production and increased development potential.

The operating mine at Second Fortune and exploration opportunities support the feasibility study for restarting Brightstar's Laverton processing facility. This provides further upside potential by utilising existing infrastructure to grow organically.

The existing shareholders of both Brightstar and Linden Gold strongly supported the merger, providing both working capital support and expertise. The major shareholders include St Barbara, Collins St Asset Management, Jack Yetiv and Blue Cap Equities.

RISK MITIGATION

The mining camp has been valued by our internally qualified valuer as part of the due diligence work undertaken by the Trust, which has included a site visitation, inspection of assets and review of Linden Gold and its activities via a Confidentiality Agreement with the Company.

Primary risk mitigation and capital value protection are supported but not limited to:

- The Orderly Liquidation Value net of realisation costs being in excess of the capital asset value.
- Due diligence by the Trust of Linden Gold's financials and forecast.

Observation and acknowledgement that the mining camp is a critical piece of infrastructure for the mine and of critical importance to the ongoing operation of mining activities in the region.

In the event of default, outcomes may be mitigated by direct-to-market resale of the Asset, noting its transportable nature, present market value, market demand for comparable mining camp complexes, or as a going concern as an accommodation provider to surrounding mine sites in the region.



INVESTMENT STRATEGY

The Infrastructure Opportunities Fund 1 is a Trust specifically created to Purchase, Lease and Sell Back (PLS) a four (4) year old (average age) mining camp over a 13 month term. The mining camp and other ancillary equipment will be purchased for \$2.4 million including GST. The monthly lease instalments for the term are expected to generate an attractive annualised return for investors, with appropriate risk mitigations considered regarding valuations, direct-to-market resale of assets or as a going concern as an accommodation provider to surrounding mine sites.

Following the success of the first PLS offered to Linden Gold, the Company approached us to commence another PLS Agreement to support their growth and consolidation strategy.

Linden Gold has formally accepted the proposal subject to final form legal documentation and satisfactory completion of due diligence.

This investment is structured as a PLS, noting that via the acquisition of the mining camp by Infrastructure Opportunities Fund 1, ensures a secured and tangible asset backing with inherent asset value cover in the event of default by Linden Gold.

This target and estimated return may vary and is subject to the future performance of the PLS and the risks noted but not limited to those outlined in this document.

YELLOWCHIP FUNDS GROUP

YELLOWCHIP FUNDS GROUP (YCFG) provides Investors with access to heavy earthmoving and mining assets through Unregistered Managed Investment Schemes (MIS), including Wholesale Unit Trusts. As specialists in these sectors our team provide Investors access to an alternative Asset class generally uncorrelated with other market sectors generating a broad spectrum of risk-weighted returns specific to each investment mandate.

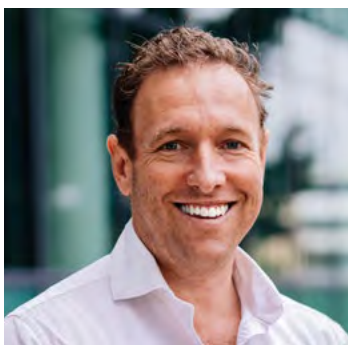
A WEALTH OF KNOWLEDGE

With expertise in procurement, disposals, information technology and funds management, the Directors and staff of YCFG are leaders in their field. Combined with a passion for the industries in which they operate, our qualified staff provide Investors a wealth of knowledge in specialised and alternative investments.

Advocates of corporate governance and compliance, our Directors foster a culture of integrity, transparency and trust. Underpinned by internal and external processes, our core objective is to operate in the best interests of our Investors.

Specialists in their respective fields, our Directors have extensive industry experience. This experience has been established working in a range of blue-chip companies. With a long history in senior management roles within the financial services industry, our Chief Investment Officer, Ben Hailes, provides a deep understanding of financial services products, their operation and management.

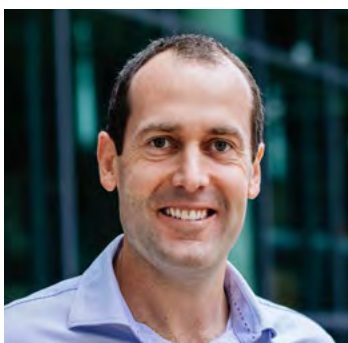
DIRECTOR PROFILES



BEN HAILES

CHIEF INVESTMENT OFFICER

Ben has held several senior management roles in Australia's leading investment managers, including Macquarie Bank, Brookfield Multiplex and BT Financial Group. In 2012, he was introduced to the heavy earthmoving and mining industries, managing unlisted mining assets, including equipment, infrastructure, and inventory. With experience in various asset classes, Ben is a member of the investment committee, is degree-qualified, and brings a wealth of investment knowledge to his role.



MATT BLYTON

CHIEF OPERATIONS OFFICER

Matt has held positions in private practice and public companies, including PricewaterhouseCoopers, Toll Ports, and Glencore, where he held corporate and senior operational commercial positions. These roles have included experience in audit and taxation, bulk product and commodities, procurement and contracts, and project due diligence. A Chartered Accountant and a Graduate of the Australian Institute of Company Directors, Matt is a member of the investment committee.



ADRIAN VINNICOMBE

DIRECTOR, COMPLIANCE & TECHNOLOGY

Adrian has worked in both the financial services and heavy equipment industries. With a Masters in Project Management and over two decades of experience in information systems, he has led a broad range of projects in the information systems field, including the design and implementation of an integrated regulatory compliance system, an asset management platform for heavy earthmoving and mining equipment; and a credit card and direct debit transaction processing platform.



JOHN O'SULLIVAN

NON-EXECUTIVE DIRECTOR

John is a 45-year veteran of the mining and construction industry globally. He has been the Managing Director of three international auction and valuation companies, including DoveBid, Worldwide Auctioneers, and IronPlanet. Until his retirement in November 2023, he was a Division Director at Macquarie Bank for 12 years as their Global Asset Manager. John is a registered valuer and member of the investment committee, bringing his considerable knowledge and experience in equipment and mining to the team.



THE TRUSTEE

The Trustee is QUAY WHOLESALE FUND SERVICES PTY LTD (Quay). Quay has been established as an independent provider of trustee services to wholesale funds. This leaves the investment decisions to an expert that can focus on deciding what investments are made on behalf of the Trust, whilst Quay takes care of the operational aspects of the Trust. The Trustee holds Australian Financial Services License (AFSL) number 528526 issued by ASIC, which authorises it to operate the Trust.

Quay's responsibilities and obligations as the Trustee are governed by the Trust Deed, the Corporations Act and general trust law. As Trustee of the Trust, Quay is solely responsible for the management of the Trust.

Quay has delegated the investment management functions to the Investment Manager under an Investment Management Agreement (IMA). Quay reviews the Investment Manager on an ongoing basis to ensure that it is managing the investments of the Trust within the terms of the IMA.



KEY EXECUTIVES

JOHN BALLHAUSEN

John was the former Managing Director of RIMCORP PROPERTY LIMITED, ABN 64 100 029 776 which was the responsible entity for three registered schemes with over \$100 million in funds under management. He has been a key person and/or a responsible manager on several Australian Financial Services Licences.

SIMON LINDSAY

Simon was the former Managing Director of AURORA FUNDS MANAGEMENT, ABN 69 092 626 885 which was the responsible entity for five registered schemes with over \$600 million in funds under management. He has also been a key person and/or a responsible manager on several Australian Financial Services Licences.

Further biographical details are available on Quay's website www.quayfund.com.au.

THE TRUST

INVESTMENT STRUCTURE

The Trust is an Unregistered Managed Investment Scheme (MIS), or Wholesale Unit Trust. In this structure, the money of all Investors in the Trust are pooled together and used to buy investments. These investments are managed by YCIM as the Investment Manager of the Trust. The governing rules of the Trust are contained in the Trust Deed, a copy of which is available from Quay on request.

Each Unit in the Trust issued to you after acceptance of an investment is of equal value, and identical rights attach to all Units. We will advise you of the price for each Unit you transact, and maintain a register of the number of Units you own.

The Trustee of the Trust has the day to day control over the operation of the Trust. Holding Units in the Trust does not give Investors the right to participate in the management or operation of the Trust.

VALUE OF UNITS IN THE TRUST

Each Unit is a proportional interest in the NAV of the Trust, having regard to the total number of issued Units. Each Unit represents an equal undivided part of the market value of the Assets the Trust holds. As a result, each Unit has a dollar value or Unit price. The first Units are issued at \$1.00. Subsequently, the price of Units will change from time to time as the market value of Trust Assets rise or fall.

Trust Assets are usually valued at the prevailing market price as determined by us at least once a year, although the Trustee may value the Assets more frequently. We may appoint expert valuers to assist us in this process. Any entitlement to income or cash held for the Trust and any amount of GST recoverable by the Trust from the Australian Tax Office (ATO) are also included in the value of Assets and used to calculate the NAV. Generally, Liabilities are valued at cost

APPLICATIONS

The minimum application amount is \$250,000. The Trustee may waive, increase or decrease the minimum application amounts at our discretion. Application money is deposited into a non-interest bearing account, pending processing.

When you make an investment in the Trust, you will be allocated Units based on the Entry Price. The Entry Price is calculated by taking the NAV of the Trust and adding to it an amount which reflects the estimated cost of acquiring the Trust's Assets (i.e. the Transaction Costs), divided by the number of Units on issue in the Trust.

We reserve the right not to accept in whole or part any application without reason. If we do not accept an application, any funds received will be returned without interest (we are not liable for any losses incurred, including from market movements, if an application is rejected or its processing is delayed). Please refer to the Application Form on how to apply for Units.

APPLY ONLINE

DISTRIBUTIONS

Distributions will be made quarterly and within 60 days of the completion of the Financial Year or within 60 days of the successful completion of the PLS. Any change in distribution periods will be communicated with investors in line with the determined actions to realise the sale of the mining camp. Investors will have their distributions paid directly to their nominated account via electronic funds transfer.

The taxable income of the Trust is paid to Investors in proportion to the number of Units held by them at the end of each Financial Year. In certain circumstances, such as where there is a large redemption by an Investor, a special distribution will be made to ensure equity between Investors, so that part of the Exit Price may include any taxable income.

The distributions you receive are generally assessable income for tax purposes and can be made up of taxable income and capital gains generated by the Trust.

Where the investment activities of the Trust result in a net revenue loss (including any carried forward revenue losses) or there is insufficient income, no distribution will be made. The Trustee may determine that it will distribute capital of the Trust after the sale of an Asset or other event, at its absolute discretion.

EXIT AND TRANSFER OF UNITS

As the Trust invests in Assets which by their nature are illiquid, the Trust should be considered to be an illiquid investment.

Following the Redemption Date, the Trust will be terminated, and net proceeds of the Trust distributed to investors under the Trust Deed. New opportunities may be available to Unit Holders in similar managed investment schemes operated with the Investment Manager.

When you exit the Trust, we redeem your Units at the Exit Price. The Exit Price of the Trust is calculated by:

- determining the NAV;
- dividing that amount by the number of Units on issue in the Trust.

Investors may transfer their Units in accordance with the Trust Deed. Transfers will not be effective until registered by the Trustee. The Trustee may refuse to register any transfer of Units.

SUSPENSION OR DELAY OF REDEMPTIONS

Under certain circumstances, the Trustee may suspend the redemptions of Units.

This includes if the sale of Assets is not able to be effected at prices which would be realised if they were sold in an orderly fashion over a reasonable period.

Outstanding redemptions with exit dates falling within a period of suspension will be effected within five (5) Business Days after the suspension is lifted subject to the Liquidity considerations referred to above. Any Exit Request received during a period of suspension is considered to be received on the first Business Day after the suspension ceases.

In addition, if the Trustee determines it to be necessary due to the Trust's Liquidity position, the redemption of Units which are the subject of an Exit Request may be staggered over a longer period.

LIQUIDITY

The Trust will generally hold Assets that are illiquid in nature. Accordingly, the Trust should not be considered as a Liquid investment.

BORROWING AND CASH POLICY

It is not our intention to borrow money for the Trust.

Depending upon the timing of asset purchase and sell back, up to 100.00% of the Trust may be held in cash and cash-equivalent securities held on deposit at banks, registered financial institutions or bank-sponsored cash trusts.

[^] Assuming the ordinary execution of the stated PLS of the Asset. Should Early Termination of the PLS occur, the Target Return may be less. Target returns net of fees are not forecast or guaranteed returns. Terms, conditions, and risks apply.



A Target Return of 17.00%[^]

UNDERSTANDING THE RISK

Many investors own investments in managed investment schemes like the Trust because of the potential rewards, but with rewards comes risk. All investments carry risk. Different strategies may carry different levels of risk and Assets with the highest long-term returns may also carry the highest level of short-term risk.

The performance of your investment and the distributions paid by the Trust may be impacted, in no particular order, by the potential risks highlighted as follows:

INVESTMENT RISK

Specific risks include:

- Linden Gold fails to effect the purchase of the mining camp, resulting in the ongoing lease of the facilities;
- Linden Gold is placed into administration;
- Liquidity risk should Linden Gold fail to effect the purchase of the mining camp or, a sale process of the mining camp is carried out.

MARKET RISK

The market risk for assets may be impacted by broad factors such as inflation rates, political and environmental developments, Investor sentiment and external events such as natural disasters.

POLITICAL AND ECONOMIC RISKS

Changes in government, government regulation, and policies, including monetary and fiscal policies, social instability and the general state of domestic and world economies, can adversely affect the value of the Trust and its performance.

REGULATORY AND LEGAL RISK

Governments or regulators may pass laws, create policy, or implement regulation that affects the Trust and/or the execution of investment strategies. These initiatives may impact either a specific transaction or market, and may be either country specific or global.

They may result in the Trust failing to achieve its investment objectives. Similarly, laws affecting trusts like the Trust (including taxation and corporate and regulatory laws) may change in the future, affecting Investors' rights and investment returns.

The value or tax treatment of an investment or the effectiveness of the Trust's investment strategy may be adversely affected by these changes or changes in generally accepted accounting policies or valuation methods.

INVESTMENT MANAGER SKILL/ PORTFOLIO MANAGEMENT RISK

The Trust's performance relies on our expertise, ability and investment decisions to identify appropriate Assets for purchase or sale in managing the Trust. In making investment decisions for the Trust, we will apply our investment techniques and risk analysis, but there is no guarantee that our decisions will produce the intended result. Our opinion about the inherent value of an Asset may be incorrect, the Trust's investment objective may not be achieved and the market may undervalue the Assets held by the Trust. We may not achieve our performance objectives. Appropriate management of the Trust's Assets by us seeks to reduce this risk.

LIQUIDITY RISK

Due to the nature of the investments held by the Trust being highly illiquid, the Trust should not be considered as a Liquid investment. It is possible that Trust Assets will need to be sold to fund redemption requests where permitted. If the Trust is required to liquidate Assets to settle withdrawals, there is a risk that liquidation may be made on unfavourable terms, subjecting the Trust to loss.

CONCENTRATED PORTFOLIO RISK

The assets of this trust are highly concentrated by type and location. This concentration can magnify the Trust's returns and may also, increase losses.

TRUST RISK

There is a risk that the Trust could terminate, the fees and expenses could change, or key investment professionals could change. There is also the risk that investing in the Trust may give different results than investing individually because of the income or capital gains accrued in the Trust.

FEES AND COSTS

All fees referred to in this section are expressed exclusive of GST.

FEES AND COSTS

We receive two specific fees for acting as the Investment Manager in administering and managing the Trust.

These fees include:

- **Origination fee:** 1% of NAV.
- **Management Fee:** 2.15% p.a. of NAV of the Trust at commencement of the investment. Calculated and paid monthly, in arrears, from the Trust.

The Trust Deed allows for the reimbursement of all properly incurred expenses or liabilities from the Trust and does not place any limit on the amount of expenses or liabilities that we can recover from the Trust. Normal expenses reimbursed include those relating to Trustee, custody, storage, transport, software and other Asset holding costs, registry, compliance, insurance, financial management and professional fees from service providers.

We are also entitled to be reimbursed from the Trust for abnormal expenses or liabilities, such as the cost of Unit Holder meetings, defending legal proceedings, and the costs of terminating the Trust.

These abnormal expenses are not generally incurred during the day to day operation of the Trust and are not necessarily incurred in any year.

TRANSACTION COSTS

Due to the nature of its investments, the Trust incurs Transaction Costs. These are costs ordinarily associated with the purchase or sale of a particular Asset, and are costs Investors generally would have to pay if they bought or sold the securities of the Trust.

DIFFERENTIAL FEES

We may rebate fees on an individual Investor basis as we determine in our absolute discretion. Rebated fees may be paid by the issue of Units or by a refund after the end of the period for which the rebate relates.

MAXIMUM FEE AND FEE WAIVER

The Investment Manager may waive part or all of any of the fees described in this Fees and Costs section at our discretion, or defer payment of fees to which we are otherwise entitled.

ADDITIONAL INVESTOR INFORMATION

PROCESSING OF APPLICATIONS AND REDEMPTIONS

Correctly completed Application Forms and Redemption Requests that are received and accepted by us before 2:00pm on a Business Day will generally take effect on the same day. Investors receive the Entry or Exit Price applying on the Business Day the transaction is effective. An Investor who submits an incomplete Application Form or Exit Request will receive the Entry or Exit Price on the Business Day the completed Application Form or Exit Request is received, provided it is received before 2:00pm.

Please note an application will not be accepted until cleared funds are received and cash cannot be accepted. A confirmation advice of Unit holdings for applications accepted will be issued as soon as practicable and following acceptance of the application.

All application money must originate from an account held in the name of the applicant. No third party payments are permitted.

Exit Requests where permitted under the terms of this IM should be completed using the redemption form. A copy is available from the Trustee.

Redemption payments will be made to an account held in the name of the Investor only. No third party payments are permitted.

The number of Units issued or redeemed is calculated and rounded to the nearest whole number according to the prevailing Entry or Exit Price.

APPOINTING AN AUTHORISED REPRESENTATIVE

If you wish to appoint someone else to operate your investment on your behalf, the following conditions apply:

- Your authorised representative can do everything you can do with your investment except appoint another authorised representative;
- To cancel your authorised representative you must give us at least seven (7) business days' written notice;
- You release and indemnify the Trustee and Investment Manager (including Directors and other officers, shareholders, employees, agents, permitted delegates and sub-delegates) from and

against any and all liability which may be suffered by you or by the Trustee or Investment Manager or brought against the Trustee or Investment Manager for any acts or omissions of your authorised representative, whether authorised by you or not; and

- To appoint an authorised representative you must complete the relevant sections of the Application Form.

INFORMATION PROVIDED TO INVESTORS

For the most up to date information on your investment visit www.yellowchip.com. At our website you can:

- Access the IM;
- Download Trust forms which includes the Application Form and other standard administration forms;
- Monitor investment performance, and changes to the Trust; and
- Read the latest views and opinions of our investment team.

Information is provided to Investors concerning their investment in the Trust as follows:

- Confirmation of transactions: A confirmation of investment or redemption on each activity.
- Investment Manager performance reporting: Written semi-annual performance report and commentary.
- Annual distribution, taxation statement: Annual distribution and taxation statements after 30 June.

This information may at our discretion be provided to you by email or through other electronic means. Information about the Trust, such as its composition and Trust performance, is subject to change from time to time.

CHANGES TO THE TRUST AND UPDATED INFORMATION

We may alter or change the terms and conditions governing the operation of the Trust as set out in this IM, or terminate the Trust. Notice will be given to Investors of any material changes.

ADDITIONAL TRUST INFORMATION

THE TRUST DEED

The Trust was established by a Trust Deed. The Trust Deed sets out the legal rights, duties and obligations of the Trustee and Investors and includes the following:

- the rights, interests and liabilities of Investors as Unit Holders;
- the duties, obligations, powers and indemnities of the Trustee;
- investment, valuation and borrowing powers;
- fees and expenses;
- Unit issue and redemption procedures;
- convening and conduct of Investor meetings;
- the duration and termination of the Trust;
- distributions; and
- the limitation of the liability of Unit Holders to the Entry Price.

The Trust Deed allows for more than one class of Units to be offered to Investors. Currently there is only one class of Units in the Trust. We may vary the terms of the Trust Deed in accordance with its terms by supplemental deed.

Investment in the Trust is governed by the Trust Deed and nothing in this IM limits or qualifies the powers and discretions conferred upon the Trustee. This IM should be read in conjunction with the Trust Deed for the Trust. In the event of any inconsistency between the Trust Deed and this IM, the Trust Deed prevails.

A copy of the Trust Deed is available free on request by contacting the Trustee.

RIGHTS OF THE TRUSTEE

The Trustee may rely on the advice of lawyers and information supplied by bankers, accountants, valuers and other experts and will not be liable for their acts or omissions, provided we exercise care in their selection. The Trustee is not liable to any Investor for making tax or similar payments.

When acting in good faith and without gross negligence, as Trustee Quay:

- may be indemnified out of the Trust;
- are not liable to Investors for loss or liability to any greater extent than the Trust Assets; and
- are not obliged to enter into any transaction unless Quay's personal liability is excluded.

The Trustee may retire as Trustee on giving notice to Investors and must retire where it ceases to be properly authorised to act as Trustee under Australian law.

TERM OF THE TRUST

The Trust will commence on the first issue of Units in the Trust. The Trust terminates on the earlier of the 80th anniversary of the day before the Trust commenced, or the date specified by the Trustee in a notice given to Investors. On termination, the Trust will be wound up in an orderly fashion and the net proceeds distributed to Investors under the terms of the Trust Deed.

RELATED PARTY AND OTHER INTERESTS

The Directors of the Investment Manager may invest from time to time in the Trust on the same basis as other Investors in the Trust.

We may use services on behalf of the Trust provided by companies related to us on no worse than arm's length commercial terms.



TAXATION INFORMATION

The taxation information in this IM is of a general nature and is current as at the date of this IM. This information provides a general overview of the tax implications for Australian tax resident Investors that hold their Units on capital account. The application of these laws depends on the individual circumstances of the Investor.

The following comments should not be regarded as tax advice and it is recommended that Investors should obtain independent professional tax advice about their specific circumstances. This section applies to Australian resident Investors only.

TAXATION OF THE TRUST

The Trust is an Australian resident trust estate for Australian tax purposes. Therefore, unless the Trust is classified as a public trading trust, the Trust will be taxed on a “flow through basis” under Division 6 of Part III of the Income Tax Assessment Act (ITAA). Where Unit Holders are made presently entitled to all of the distributable income of the Trust for a Financial Year, the Trust should not be liable for income tax. The taxation liability for the taxable income of the Trust will rest with the Investors. However, if for any reason there is taxable income to which no Investor is presently entitled, the Trust will be taxed at the highest marginal tax rate for that income. If the Trust makes a loss for tax purposes, the Trust cannot distribute the losses to Investors. However, subject to the Trust

meeting certain conditions, the Trust may be able to take into account the losses (including to the extent the Trust has carried forward capital losses) to offset against income or capital gains (as appropriate) in subsequent years.

If the Trust is classified as a public trading trust, the Trust will be taxed as a company under Division 6C of the ITAA. Although the Trust will likely be characterised as a trading trust (because it is not carrying on an eligible investment business), the Trust will not be taxed as a company as long as it is not considered to be a public unit trust under Division 6C of the ITAA. The Trust could be considered public in a number of circumstances, including having 50 or more Unit Holders in the Trust. However, it is expected the Trust will not have 50 or more Investors, therefore, it is unlikely it will be a public trading trust and taxed as a company. Notwithstanding, compliance with these rules will be monitored on an ongoing basis.

DISTRIBUTIONS

Where the Trust is taxed on a “flow through basis”, Unit Holders will be taxed on their proportional share of the taxable income derived by the Trust. The taxable income will retain its character in the hands of the Unit Holders.



Tax-deferred distributions may occur where the cash distributed by the Trust exceeds the taxable income distributed to Unit Holders in a year of income. For Unit Holders who hold their Units on capital account, the tax-deferred income should not form part of their assessable income in the year that the tax-deferred distribution is paid. Instead, the Unit Holder's cost bases in the Units will be reduced by the tax-deferred amount. For Unit Holders who have a zero-cost base in their Units, or where the tax-deferred distribution exceeds the cost base of their investment, any tax-deferred amounts received should be treated as a capital gain of the Investor.

DISPOSAL OF UNITS

Investors must include any realised capital gain or loss on disposal or redemption of their Units (together with any capital gain distributed by the Trust) in calculating their net capital gain or loss for a Financial Year.

A net capital gain will be included in a Unit Holder's assessable income. A net capital loss may be carried forward for offset against capital gains of the Unit Holder in subsequent years but may not be offset against ordinary income.

In calculating the taxable amount of a capital gain, a discount of one-half for individuals and trusts or one-third for superannuation entities may be allowed where the Units have been held for 12 months or more.

For non-resident Investors, complex laws govern the taxation of capital gains distributed by the Trust or those realised on the disposal of Units. Accordingly, non-resident Investors should seek their own professional tax advice.

TAX FILE NUMBERS AND AUSTRALIAN BUSINESS NUMBERS

It is not compulsory for Investors to provide their Tax File Number (TFN) or Australian Business Number (ABN), and it is not an offence if you decline to provide them. However, unless exempted, if a TFN or ABN is not provided, tax will be deducted from income distributions at the highest personal marginal rate plus the Medicare levy.

NON-RESIDENT WITHHOLDING TAX

If an Investor is not an Australian resident, withholding tax will normally be deducted from distributions before they are paid to the Investor. The tax rate will depend on the nature of the distribution and the country in which the Investor resides.

MANAGED INVESTMENT TRUST – TAX REFORM

The Trust is not currently an eligible Managed Investment Trust (MIT) and is unlikely to be considered a MIT.

GOODS AND SERVICES TAX (GST)

The Trust may claim input credit or reduced input tax credit where appropriate to reduce the cost of the GST to the Trust.

ADDITIONAL INFORMATION

PRIVACY POLICY

Privacy laws apply to our handling of personal information and how we collect, use and disclose the personal information of Investors. All personal information collected from an Investor will be used and stored by us in accordance with our privacy policy, a copy of which is available on request or at our website, www.quayfund.com.au.

We collect information for the following reasons:

- to assess and process your application;
- to establish and maintain the register of Investors;
- to monitor, audit, evaluate and otherwise administer investments; and
- to communicate with Investors concerning their investment and transactions relating to their investment.

We may disclose information we hold about an Investor in the following circumstances:

- to companies that provide services on our behalf (for example printing statements which we send to Investors);
- if the disclosure is required or authorised by law; or
- if the Investor consents to the disclosure.

Our privacy policy includes details about the following matters:

- how we collect and hold personal information;
- how an Investor may access personal information that we hold about the Investor and seek correction of the information (note that exceptions apply in some circumstances);
- how an Investor may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds us, and how we will deal with such a complaint; and
- whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which the recipients are likely to be located if it is practicable for us to specify those countries.

If there are any changes to the Investor's personal details, or an Investor finds that information we hold about the Investor is incorrect, please contact us.

ANTI-MONEY LAUNDERING

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies apply to us ('AML Requirements'), to regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

To comply with the AML Requirements, the Trustee is are required to, amongst other things:

- verify an Investor's identity and source of application monies before providing services to the Investor, and to re-identify the Investor if we consider it necessary to do so; and
- where the Investor supplies documentation relating to the verification of their identity, keep a record of this documentation for seven (7) years.

The Trustee reserves the right to request such information as is necessary to verify the identity of an Investor and the source of payment of application money.

If there is a delay or failure by the Investor to produce this information, the Trustee may refuse to accept an application and the application monies relating to the application or the Trustee may suspend payment of redemption proceeds if necessary to comply with AML Requirements. Neither the Trustee or the Investment Manager is liable to an Investor for any loss suffered by them as a result of the rejection or delay of any application or payment of redemption proceeds.

The Trustee has implemented a number of measures and controls to ensure we comply with our obligations under the AML Requirements, including carefully identifying and monitoring Investors. As a result of the implementation of these measures and controls, the Trustee may from time to time require additional information from Investors to assist in this process.

The Trustee has certain reporting obligations under the AML Requirements and are prevented from informing an Investor that this reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. Neither the Trustee or the Investment Manager is liable for any loss an Investor may suffer as a result of our compliance with the AML Requirements.

US WITHHOLDING TAX AND REPORTING UNDER FATCA

The United States has enacted the Foreign Account Tax Compliance Act (FATCA). The Australian government has entered into an Inter-Governmental Agreement (IGA) with the US for the application of FATCA to Australian institutions. The Trustee complies (to the extent applicable) with:

- FATCA;
- the IGA between Australia and the US; and
- any local laws designed to give effect to the intent and purpose of FATCA and the IGA, (collectively, the FATCA Obligations).

By applying for Units in the Trust, you:

- agree to promptly provide us with any information requested from you from time to time;
- agree to promptly notify us of any change to the information you have previously provided us;
- if your Units are held by or for the benefit of, or controlled by, specified US person(s) (as set out in the IGA), you consent to us disclosing any information the Trustee has in compliance with our FATCA Obligations. This may include disclosing information to the ATO, who may in turn report that information to the US Internal Revenue Service; and
- waive any provision of domestic or foreign law that would, absent a waiver, prevent us from complying with our FATCA Obligations.

Failure to comply with our FATCA obligations could result in the Trust being subject to a 30.00% US withholding tax on payments of US income or gross proceeds from the sale of particular US securities. However, to the extent that all information requested by us is obtained, this withholding tax should not apply to the Trust or its Investors.

It is important to note that:

- although the Trust may attempt to take steps to avoid the imposition of this withholding tax, no assurance can be given that the Trust will be successful; and
- if you fail to provide any information requested by us, and the Trust becomes subject to this withholding tax, we may seek to recover the amount of the tax from you.

COMMON REPORTING STANDARD

The Australian Government has implemented the OECD Common Reporting Standard to take effect from 1 July 2017. The Common Reporting Standard, similar to the FATCA regime, will require banks and other financial institutions (like the Trust) to collect and report to the ATO financial account information which the ATO will exchange with the relevant foreign tax authorities. The Trustee may need to collect additional information from you to disclose the information to the ATO. If requested by the Trustee, you agree, and it is a condition of the issue of the Units, to provide certain information required by it or the Trustee in order to comply with any applicable law, including FATCA and the Common Reporting Standards under the CRS Laws.

SERVICE PROVIDERS

As at the date of this IM, we have appointed service providers to provide certain services to the Trust. The service providers may be changed and added to at any time without notice to Unit Holders.

ELECTRONIC CORRESPONDENCE CONDITIONS

By using an electronic correspondence instruction service, you release and indemnify the Trustee against all losses and liabilities arising from any payment/action that are made based on the instructions received by electronic correspondence bearing the Investor's account number and an apparent signature of the Investor – even if the electronic correspondence is not genuine. The Investor also agrees that neither the Investor nor anyone claiming through the Investor has any claim against the Trust, the Trustee or us for these payments or actions.

DEFINITIONS

Application Form: the application form accompanying this Information Memorandum or an electronic version of such form. Click here to apply online: <https://www.registrydirect.com.au/offer/infrastructureopportunitiesfund1/>

ASIC: the Australian Securities and Investments Commission.

Asset: all property, including investments, right and income of the Trust.

ATO: the Australian Taxation Office.

Business Day: any day except Saturday, Sunday or a public or bank holiday in Sydney.

Corporations Act: the *Corporations Act 2001* (Cth) as amended from time to time.

Current Asset Value of the Trust or CAV: the sum of the Market Value of the Assets.

Distribution Period: the period for which a distribution of income of the Trust is calculated and paid, being for a Financial Year.

Dollars or a Reference to Currency: means Australian dollars unless otherwise noted.

Early Termination: means the option that Linden Gold has to cease the PLS earlier than the 13 month term.

Entry Price: for the initial issues of Units, \$1.00 per Unit. For the subsequent issues of Units, the Entry Price is the Unit Value most recently determined by us prior to the issue date, adjusted for any transaction costs.

Exit Date: the date determined by us with effect from when a Unit is to be redeemed.

Exit Price: the Unit Value most recently determined by us prior to the Exit Date, adjusted for any Transaction Costs.

Exit Request: a written request to redeem Units by an Investor or otherwise in a form acceptable to the Trustee.

Fair Market Value or FMV: is the estimated value of the Assets if they were sold today in the current market.

Financial Year: the 12 months ending on 30 June in a year, except for the first Financial Year of the Trust which starts on the Trust Commencement and ends the next 30 June, and for the last Financial Year of the Trust which ends on its termination date and commence the previous 1 July.

GST: the tax payable under *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Information Memorandum or IM: means this document as may be amended or replaced.

Investment Management Agreement: means the investment management agreement dated on or about the date of this IM between the Trustee and the Investment Manager.

Investment Manager, YCIM, we, us: YELLOWCHIP INVESTMENT MANAGEMENT PTY LTD.

Investor: a Unit Holder in the Trust.

ITAA: the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth), as may apply or be amended or substituted.

Liabilities: the total of the liabilities of the Trust, including any accruals or provisions we reasonably believe should be made and any liability to Unit Holders for distributions or redemptions.

Liquid or Liquidity: is defined by reference to the Corporations Act.

Liquidity Event: an event such as the sale of an Asset which causes the Trust to become Liquid.

Market Value: the current market value of an Asset or other value appropriate to the nature of the Asset as determined by the Trustee consistent with generally accepted accounting principles. If the Trustee is of the opinion that this does not truly reflect the value of an Asset, then the value last determined by a valuer appointed by the Trustee.

Net Asset Value of the Trust or NAV: the Current Asset Value of the Trust less the Liabilities.

Orderly Liquidation Value or OLV: is the price or value at which an asset or group of assets are sold in a methodical manner, given enough time to dispose them.

Purchase, Lease, and Sell Back or PLS: the structure incorporated to effect the transaction of the mining camp.

Redemption Amount: an amount equal to the number of Units to be redeemed, multiplied by the Exit Price on the Exit Date.

Redemption Date: means the date in which the Trust has completed the sale of all Assets.

Target Return: reflects the performance objective of the Trust, net of management fees, for a Year. The returns are not forecast or guaranteed returns.

Transaction Costs: an amount paid into the Trust to cover the costs of buying or selling Assets. This includes any tax or duty or valuation required for Trust property to effect an acquisition or sale. The Transaction Costs on the early redemption of Units is 0.45% of the amount redeemed.

Trust: the Infrastructure Opportunities Fund 1.

Trustee or Quay: the Trustee of the Trust, QUAY WHOLESALE FUND SERVICES PTY LTD.

Trust Commencement: the date on which the Trust commenced under the Trust Deed, being the date on which the Trustee executes the Trust Deed.

Trust Deed: the Trust Deed under which the Trust was established.

Unit: a fully paid ordinary Unit in the Trust.

Unit Holder: a person or entity noted on the Unit register as the holder of a Unit, including persons jointly registered.

Unit Value: the Net Asset Value of the Trust divided by the number of Units on issue on the Valuation Date.

Unregistered Managed Investment Scheme

(MIS): a scheme that does not need to be registered if it meets certain criteria. Operators must generally hold an AFS licence to issue, vary and dispose of interests in the scheme to Wholesale Clients.

Valuation Date: a date on which the Net Asset Value of the Trust is determined.

Wholesale Client: persons or entities defined as such under section 761G and section 761GA of the Corporations Act.

Wholesale Unit Trust: a unit trust established and managed by an investment manager that issues units to Wholesale Clients.

Year: a period of 12 months.



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INFRASTRUCTURE
OPPORTUNITIES FUND 1

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