RG231 Disclosures for the ICAM Duxton Port Infrastructure Retail Fund

ARSN 635 727 507

As at 31 March 2022

DISCLAIMER

The responsible entity of the ICAM Duxton Port Infrastructure Retail Fund (Fund) is Vasco Trustees Limited (Vasco) (ABN 71 138 715 009, AFSL 344486).

This document has been prepared as at 31 March 2022, and was published on or around 14 June 2022.

This information has been prepared by Vasco for general information purposes only, without taking into account any potential investors' personal objectives, financial situation or needs. Before investing, you should obtain and consider the PDS for the Fund before making a decision about whether to invest in the Fund and consider the appropriateness of the Fund for your own objectives, financial situation and needs. You should also consider obtaining financial, legal and/or taxation advice.

Vasco does not receive fees in respect of the general financial product advice it may provide, however it will receive fees for operating the Fund which, in accordance with the Fund's Constitution, are calculated by reference to the assets of the Fund.

Entities related to Vasco may also receive fees for managing the assets of, and providing resources to the Fund. To contact us, call +61 3 8352 7120 (local call cost).

Past performance is not a reliable indicator of future performance. Due care and attention has been exercised in the preparation of forecast information, however, forecasts, by their very nature, are subject to uncertainty and contingencies, many of which are outside the control of Vasco. Actual results may vary from any forecasts and any variation may be materially positive or negative. © Vasco Trustees Limited, 2022

ASIC Regulatory Guide 231 Disclosures

The Australian Securities & Investments Commission (ASIC) requires "infrastructure entities", including unlisted registered managed investment schemes which invest in infrastructure assets, to provide a statement addressing ASIC's nine benchmarks and eleven disclosure principles set out in Regulatory Guide 231: Infrastructure entities: Improving disclosure for retail investors (RG231).

The disclosure aims to help retail investors compare risks, assess the rewards being offered and decide whether the investments are suitable to them. Vasco Trustees Limited (Vasco), as responsible entity (RE) of the ICAM Duxton Port Infrastructure Retail Fund (Fund), presents the nine benchmarks and eleven disclosure principles in this document in relation to an investment in the Fund.

This document should be read in conjunction with the following documents which will be made available on Vasco's website (www.vascofm.com):

- the Fund's Supplementary Product Disclosure Statement dated 22 June 2021 (SPDS) together with the Fund's Product Disclosure Statement dated 20 November 2019 (PDS);
- the financial statements in respect of the Fund which will be available following the end of each financial year.

In accordance with the requirements of RG231, this statement will be updated for any material changes that the RE becomes aware of, and in any event, at least every 12 months. The updated statement will be included on the RE's website www.vascofm.com.

Disclosure Principles and Benchmarks

The information below is provided to comply with the requirements of ASIC's Regulatory Guide 231: 'Infrastructure entities: Improving disclosure for retail investors' released in January 2012.

A full copy of the Regulatory Guide 231 can be obtained from ASIC at www.asic.gov.au.

The Responsible Entity will notify Unitholders in the Fund of any material adverse information in relation to the Fund.

This will include information as it relates to the benchmarks.

Information relating to the Fund that is not materially adverse is subject to change from time to time and will be updated by the Responsible Entity on its website at www.vascofm.com.

You may request a paper copy of any updated information by contacting the Responsible Entity's office directly and this information will be provided free of charge.

ASIC states in Regulatory Guide 231 that failure to meet one or more of the benchmarks does not mean that a particular infrastructure fund is necessarily a poor investment. However, additional disclosure to Unitholders is needed so that Unitholders can assess its impact on their investment decision.

The nine benchmarks and eleven disclosure principles are set out below with a summary of how the Fund, as an unlisted pooled investment scheme in which retail investors will invest, meets or does not meet the benchmarks.

Potential investors should discuss the ASIC benchmarks with their financial advisor.

Benchmarks for infrastructure entities

Benchmark 1 – Corporate structure and management The infrastructure entity's corporate governance policies and practices conform with ASX Listing Rules Guidance Note 9A *Corporate governance—ASX Corporate Governance Council—Revised corporate governance principles and recommendations* (GN 9A).	Statement The benchmark is not met. Explanation The recommendations and principles in ASX Listing Rules Guidance Note 9A are targeted at entities listed on the ASX. Neither the Fund nor the Underlying Trust are listed on the ASX. The trustee of the Underlying Trust does not comply with a number of the ASX Recommendations including (but not limited to): • the trustee not having a specifically constituted risks committee* • the trustee not having a code of conduct • the trustee not having an anti-bribery and corruption policy. *Given the size and nature of the project being undertaken, the Fund and Underlying Trust do not consider it necessary to establish specific committees and policies outside of regular Board assessment and policies.
Benchmark 2 – Remuneration of management Incentive-based remuneration paid to management is derived from only the infrastructure entity's performance.	Statement The benchmark is met. Explanation Incentive-based remuneration is not paid in relation to the Performance of the Fund. Incentive-based remuneration paid by the Underlying Trust to the investment manager, Inheritance Capital Asset Management Pty Ltd (ICAM), is derived from the performance of the Underlying Trust and not the performance of other group entities.
Benchmark 3 – Classes of units and shares All units or shares of the infrastructure entity are fully paid and have the same rights.	Statement The benchmark is met. Explanation Both the Fund and the Underlying Trust will issue ordinary units and all are issued on a fully paid basis only. The Fund will also issue Throughput Units (See Section 5.2 for more detail) which will also be fully paid.
Benchmark 4 – Substantial related party transactions The infrastructure entity has complied with ASX Listing Rule 10.1 Acquisition and disposal of assets (ASX Listing Rule 10.1) for substantial related party transactions.	Statement The benchmark is not met. Explanation The Fund will not acquire or dispose of any substantial assets from a related party. The Underlying Trust does not have any plans to acquire (or dispose of) a substantial asset from a related party. However, if such a transaction opportunity were to arise, the Underlying Trust would only undertake such a transaction on arm's length commercial terms and in the best interest of investors in the Underlying Trust (having received independent advice on the transaction). Further Information Section 10.3 of the PDS provides further information on the related party transaction policy of the Fund.

Benchmark 5 – Cash flow forecasts The infrastructure entity has prepared and had approved by its directors the following cash flow forecasts: (a) a 12-month cash flow forecast for the infrastructure entity and has engaged an independent suitably qualified person or firm to provide, in accordance with the auditing standards: i. negative assurance on the reasonableness of the assumptions used in the forecast; and ii. positive assurance that the forecast is properly prepared on the basis of the assumptions and on a basis consistent with the accounting policies adopted by the entity; and (b) an internal unaudited cash flow forecast for the remaining life, or the right to operate (if less), for each new significant infrastructure asset acquired by the infrastructure entity.	Statement The benchmark is not met. Explanation The Underlying Trust has developed a four-year cash flow forecast of the infrastructure entity during construction and operation of the asset that was approved by the directors of the Underlying Trust. However, the Underlying Trust has not sought an independent suitably qualified person to provide negative assurance on the reasonableness of the assumptions or positive assurance that the forecast is properly prepared based on the assumptions for the first 12 months of the cash flow forecast.
Benchmark 6 – Base-case financial model Before any new material transaction, and at least once every three years, an assurance practitioner performs an agreed-upon procedures check on the infrastructure entity's base-case financial model that: (a) checks the mathematical accuracy of the model, including that: i. the calculations and functions in the model are in all material respects arithmetically correct; and ii. the model allows changes in assumptions, for defined sensitivities, to correctly flow through to the results; and (b) includes no findings that would, in the infrastructure entity's opinion, be materially relevant to the infrastructure entity's investment decision.	Statement The benchmark is met. Explanation The Underlying Trust's base case financial model has been independently reviewed by a top-tier accounting firm with any findings or recommendations having been adequately addressed. The base-case financial model has been thoroughly reviewed and approved by the Underlying Trust board following robust due diligence involving consultants who verified the economics of the project. An independent review will be undertaken before any new material transaction, noting that the RG231 recommends a review once every three years. The last review was undertaken in May 2019, with another review to be conducted in the medium term.
Benchmark 7 – Performance and forecast Performance for the first two years of operation equalled or exceeded the original disclosed forecasts.	Statement The benchmark is not met. Explanation Performance for the first two years of operation did not equal or exceed the original disclosed forecasts due to, amongst other drivers, having a limited number of grain traders pricing at the port (which has since improved to having three of the four global majors), the Eastern Eyre Peninsula crop generating below long-term average harvest for the first two harvests, and cost overruns.

Benchmark 8 – Distributions Distributions are not paid from scheme borrowings	Statement The benchmark is met. Explanation The Fund will not borrow. The Underlying Trust intends to pay distributions on a semi-annual basis once operational cash flows permit. The Underlying Trust will not pay distributions from scheme borrowings. Further Information Refer to the distribution policies in Sections 4.5 and 5.6 of the PDS.
Benchmark 9 – Updating the unit price The infrastructure entity reviewed and updated the unit price to reflect updated valuations before issuing new units or redeeming units.	Statement The benchmark is met. Explanation The unit price of the Fund will be determined in accordance with its Constitution. The unit price will be impacted by the revised unit valuation for the Underlying Trust and will consider fees and costs of the Underlying Trust before issuing new units or redeeming units. After receiving and adopting a new valuation for the Underlying Trust, the Underlying Trust will review and if required update its unit price before issuing new units or redeeming units.

Disclosure principles for infrastructure entities

Disclosure principle 1 – Key relationships	Explanation
An infrastructure entity should disclose the following details (preferably through a diagram): (a) the important relationships for the entity and any other related party arrangements relevant to an investor's investment decision, including any controlling arrangements, special voting rights or director appointment rights; and (b) for any significant infrastructure asset under development: i. key relationships in the development, including with any concessionaire, developer, builder, sponsor, promoter, asset manager, independent expert, financier, joint venture party, issuer or manager; and ii. key participants that bear material development-related risks, including for timing and cost of delivery of the development, procurement and cost of financing for the development, and guaranteeing the performance of other entities. *(Disclosure Principle 1 cont.)*	There are various stakeholders involved in the construction, operation and management of the Lucky Bay Port. These relationships are outlined in the PDS and SPDS. *Inheritance Capital Asset Management Pty Ltd (ICAM)* ICAM has been appointed as the investment manager of the Underlying Trust (Investment Manager). ICAM is a South Australian fund manager founded around the former investment team of a South Australian government insurance fund, with prominent directors and a strategic investment stake by global agribusiness fund manager Duxton Asset Management. The trustee of the Underlying Trust is a wholly owned subsidiary of ICAM. The Investment Manager will actively manage the assets of the Underlying Trust to seek to maximise investor returns and mitigate downside risks. The Investment Manager will provide regular reporting to investors in the Underlying Trust. The Investment Manager will receive the fees that are payable to the trustee of the Underlying Trust as set out in Sections 4.4 and 7.2 of the PDS and Annexure 1 of the SPDS. ICAM Retail Funds Management Pty Ltd which is the Investment Manager for the Fund is also a subsidiary of ICAM. *Sea Transport Corporation (STC)* STC are a substantial and foundation investor in the Underlying Trust. On settlement of the Underlying Trust, STC sold the then existing Lucky Bay Port harbour to the Underlying Trust in return for equity in the Underlying Trust. In addition, the transhipment vessel which is wholly owned by the Underlying Trust has been designed by STC. Subject to retaining certain equity holdings, STC have two director appointments on the Underlying Trust board. STC have made these director appointments. *Duxton Capital (Australia) Pty Ltd (Duxton)* Duxton was established in June 2013 as the Australian arm of the Duxton group. The Duxton group is an agricultural asset management firm specialising in investments in direct agriculture and Asian emerging markets. ICAM and Duxton have partnered to capitalise on synergies between the two organisations and to offer their combined client base a unique opportunity to invest in the Underlying Trust. ICAM is responsible for the asset management activities of the Underlying Trust. Duxton provides services to ICAM to assist ICAM in the performance of its services. Duxton has representation on the Underlying Trust board. Key relationships in the construction and development of the Lucky Bay Port *T-Ports – Development and Operations* The development and the day-to-day operation of the Lucky Bay Port facility including the two bunker storage facilities will be undertaken by T-Ports Pty Ltd. T-Ports is a company wholly owned by the Underlying Trust and will be responsible for the operation of the port and its related assets once operational. The port management team is highly experienced in port operations, port infrastructure management, port construction and grain and fertiliser handling. The key management team of T-Ports is: • Kieran Carvill, CEO* • Mark Antushka, General Manager Construction **** See "After disclosure date events" section***

Disclosure principle 2 – Management and performance fees An infrastructure entity should disclose the following details: (a) all fees and related costs associated with the management of the entity's assets paid or payable directly or indirectly out of the money invested in the entity, providing a clear justification for the fees; (b) if performance fees are payable, how these fees will be paid—for example: i. for mature operating infrastructure assets—explain if and how the performance fees will be paid, including whether these fees are payable only from operating cash flow; and iii. for operating infrastructure assets in a growth phase and development assets—explain how the performance fees will be paid, including whether these fees are funded by debt, capital, the issue of securities or otherwise, and the risks to members in paying performance fees in those ways.	See Appendix 1 (Section 7 Fees and Other Costs) of the Supplementary Product Disclosure Statement for details in relation to the fees and costs payable by the Fund. ICAM, as the Investment Manager of the Underlying Trust, is entitled to be paid base management fees and performance fees under the terms of its Management Agreement. See Appendix 1 (Section 7 Fees and Other Costs) of the Supplementary Product Disclosure Statement.

Disclosure principle 3 – Related party transactions An infrastructure entity should disclose details of any related party arrangements relevant to the investment decision, including the following details: (a) the value of the financial benefit and the consideration payable; (b) the nature of the relationship (i.e. the identity of the related party, and the nature of the arrangements between parties, in addition to how the parties are related for the purposes of the Corporations Act or ASX Listing Rules); Note: For group structures, the nature of these relationships should be disclosed for all group entities. (c) whether the arrangement is on arm's length terms, the remuneration is reasonable, some other Ch 2E exception applies or ASIC has granted relief; (d) whether member approval for the transaction has been sought and, if so, when (e.g. if member approval was obtained before the initial public offering (IPO) of securities in the entity); (e) the risks associated with the related party arrangement; (f) the policies and procedures that the infrastructure entity has in place for entering into related party transactions, including how compliance with these policies and procedures is monitored; (g) for management agreements with related parties: i. the term of the agreement; ii. if a fee is payable by the infrastructure entity on termination of the agreement, the method of termination that will incur a fee and details on how that fee is calculated; iii. any exclusivity arrangements in the management agreement; iv. whether a copy of the agreement is available to investors and, if so, how an investor can obtain a copy of the agreement; and v. any other arrangements that have the potential or actual effect of entrenching the existing management (e.g. termination of current management agreement triggers the commencement of other management arrangements or any other rights such as the rights to acquire the assets); and	The Fund has not and does not intend to enter into transactions with any related parties. The Fund invests in the Underlying Trust. The Underlying Trust has been recently established and currently has made a binding commitment to develop the port facility at Lucky Bay. There are various stakeholder groups that are involved in the construction and management of the Lucky Bay Port. These relationships are outlined in the PDS. *Relationship with ICAM* ICAM is the exclusive Investment Manager of the Underlying Trust. ICAM is a related party of the trustee of the Underlying Trust and is appointed by the trustee to be investment manager for the Underlying Trust. The relationship between the entities is strictly governed in accordance with ICAM's related party policy. ICAM receives fees for acting as Investment Manager from the Underlying Trust as set out in Appendix 1, Section 7 of the SPDS. ICAM's role and the terms of ICAM's appointment are set out in Section 4 of the PDS. Whilst ICAM and the trustee of the Underlying Trust are related parties, the trustee of the Underlying Trust remains responsible for monitoring ICAM's performance as Investment Manager. The Underlying Trust's trustee board has eight directors, six of whom are independent of ICAM. The relationship between the entities is strictly governed in accordance with ICAM's related party policy, a copy of which can be made available on request. This policy governs amongst other things that any arrangements are undertaken at arm's length, that approval of the board is required, and that appropriate independence and segregation of decision making is in place. *The Management Agreement* The Underlying Trust has delegated to the Investment Manager the strategic and operational management of the Underlying Trust's investments pursuant to a Management Agreement. The Investment Manager's appointment is an exclusive appointment. The Investment Manager's appointment will continue until the earlier of: (a) sale of the Underlying Trust's assets, (b) the winding up of the Underlying Trust, or (c) 15 years from the date of entry into the Management Agreement. The Investment Manager may terminate the Management Agreement by giving at least six months' notice. The Investment Manager will actively manage the assets of the Underlying Trust to maximise investor returns and seek to mitigate downside risks. The Investment Manager will provide regular reporting to investors and the trustee of the Underlying Trust. The Investment Manager will provide funds management and strategic asset management services including: • investor and financier liaison and relationship management • assisting in, sourcing and managing debt and equity financing including preparation of marketing information material • monitoring and updating ongoing financial modelling, distributions and financial forecasts for investors • providing advice on, and assistance in connection with, the disposal of the Trust's assets • assisting the trustee of the Underlying Trust with the overall fund governance arrangements • providing recommendations to the trustee of the Underlying Trust on distributions and distribution policies for the Underlying Trust • assisting the trustee of the Underlying Trust to source suitably skilled directors and officers for its board • identifying and evaluating opportunities for the acquisition or development of additional miniport facilities located in South Australia

(h) for transactions with related parties involving a significant infrastructure asset: i. what steps the infrastructure entity took to evaluate the transaction; and ii. if not otherwise disclosed, a summary of any independent expert opinion obtained for the transaction and whether, and if so how, an investor can obtain a copy of the opinion.	• instructing and overseeing external advisers in relation to the ongoing operation of the Underlying Trust, including legal, tax, accounting, auditing and registry services. A copy of the Management Agreement is available to investors on request. *Sea Transport Corporation* STC were the original developer of the Lucky Bay Port asset and undertook design and early-stage construction of the infrastructure. STC vended the Lucky Bay Port asset into the Underlying Trust in exchange for equity in the Underlying Trust which they currently retain. STC is represented by two directors on the board of the trustee of the Underlying Trust. The transhipment vessel was designed by STC and constructed by Bonny Fair (an entity which has a minority interest in STC). An independent assessment has been completed of the current infrastructure and the transhipment vessel and significant due diligence has been undertaken by the trustee of the Underlying Trust and its advisers. The costs to acquire the assets have been assessed as being at fair value.
Disclosure principle 4 – Financial ratios An infrastructure entity should disclose the following details: (a) if target financial ratios have been publicly disclosed, the respective financial ratios actually achieved for the entity and how those target and actual ratios are calculated; and (b) an explanation of what the financial ratios mean in practical terms and how investors can use the ratios to determine the entity's level of debt related risk.	The Fund does not publicly disclose any target financial ratios. The Underlying Trust discloses that it targets a Loan to Value Ratio ('LVR') of 45% to a maximum of 55%. The LVR is calculated as the Underlying Trusts total debt obligations as a percentage of the value of the total assets of the Underlying Trust (based on most recent valuation). The Underlying Trust has not exceeded the target LVR.

Disclosure principle 5 – Capital expenditure and debt maturities An infrastructure entity should disclose the following details: (a) its planned capital expenditure for the next 12 months and how this expenditure is to be funded (any material changes to this planned expenditure should be updated as part of the entity's ongoing disclosure obligations); and (b) a breakdown of material debt maturities for the entity, in the intervals set out in Table 3 (see RG231.86), on a consolidated contractual basis showing the drawn amount, the undrawn amount, the total drawn and undrawn amount, the percentage of variable interest rate risk, the weighted average interest rate, the percentage of debt that is not limited recourse to a particular asset (i.e. 'ring fenced') and whether the debt is fully amortising or requires principal and interest payments	A) The Fund has capital expenditure requirements for the next 12 months. The Underlying Trust has planned capital expenditure relating to a fertiliser expansion opportunity which is in feasibility stage. This expenditure is to be funded through a proposed expansion debt facility. B) The Fund has material debt maturities. All debt was refinanced in November 2021 to an interest-only facility with a term of 2 years. This is a circa $40M facility, with a 55% maximum LVR covenant and BBSW + 8.3% interest rate.
Disclosure principle 6 – Foreign exchange and interest rate hedging An infrastructure entity should disclose the following details: (a) Any current foreign exchange and interest rate hedging policy for the entity; and (b) Whether the entity's foreign exchange and/or variable interest rate exposure conforms with its foreign exchange and interest rate hedging policy	Although the senior facility does have exposure to interest rate movements, the entity does not have a hedging policy. The fund does not have any direct foreign exchange rate risk. The Underlying Trust does not have a formal policy relating to foreign exchange exposure and will evaluate the value of currency hedging strategies on a case-by-case basis, aiming to minimise currency exposure where possible.

Disclosure principle 7 – Base-case financial model For an acquisition of a significant infrastructure asset, the infrastructure entity should disclose the following details for its base-case financial model: (a) the key assumptions and the source of those assumptions; (b) a confirmation by the directors as to whether or not they consider that the assumptions are reasonable; (c) any process the directors undertook to satisfy themselves that the assumptions were reasonable, including if an expert provided an opinion on the model and, if so, provide a summary of that expert opinion; (d) the agreed-upon procedures check that the assurance practitioner has performed to review the base-case financial model (as per Benchmark 6) and any findings which were materially relevant to the investment decision; and (e) any conflicts of interest that may arise in either the expert opinion or the agreedupon procedures check. The infrastructure entity should provide a table disclosing up to five of the key assumptions in its base-case financial model that are likely to have the most material impact: (a) on the operating performance of the entity for at least the next 12 months; or (b) in the case of a development asset, in the first year of operation, demonstrating the impact on the infrastructure entity and investor equity, if any (and separately if all) of the assumptions were materially less favourable than anticipated (e.g. 25% less). An infrastructure entity should also disclose: (a) a reasonable estimate of the operating capacity of the entity's significant infrastructure assets; (b) for any operating asset developed by the infrastructure entity or completed immediately before the infrastructure entity's ownership, any material discrepancies between any publicly disclosed forecasts and the actual performance for the first two years of operation; and (c) any material discrepancies between the assumptions contained in the infrastructure entity's base-case financial model used to raise any debt and the model used to raise any equity, respectively, within six months of each other in the current financial year.	**First Part** As the Fund or Underlying Trust has not acquired an infrastructure asset, the First Part of this disclosure principle is not applicable. **Second Part** Key assumptions used in the base-case financial model that are likely to have the most material impact for the Underlying Trust in the next 12 months of operation are: 1. **Tonnage** The volume of grain received has a material impact on the cash flow generation of the Underlying Trust. The base-case financial model assumes on average circa 600kt per annum (including an assumed drought year) of grain throughput based on catchment area analysis based on total grain production for the Eyre Peninsula over a 15-year period until assumed exit in June 2025. Expansion opportunities in the current base case forecast include: - Fertiliser: Throughput ramp-up from FY22 to a 200kt per annum target - Kangaroo Island: Export ramp-up from FY23 to a 350kt per annum target The Minister for Planning declined KIPT's (now Kiland) application to develop the company's proposed seaport at Smith Bay. Following this rejection, KIPT advised the market that they would adopt an agricultural strategy to remove the trees by felling and burning them to convert the land for traditional agricultural purposes. As such, a transhipment solution would be a short to medium term option. Management still believes there is a viable timber resource on KI for export and a public consultation session took place in February 2022 given the proposed use of public land at the inland staging site. However, disappointingly our Black Summer Bushfire Recovery Grant Program application has been unsuccessful. T-Ports are now pursuing other regional grant funding and evaluating partner funding options for the capex required to tranship timber products and other commodities such as grain, farm inputs & equipment. Continued investment into this opportunity is contingent on developing a funding solution that de-risks the operations given KIPT's pivot away from forestry activities. 2. **Revenue** Revenues are based on an average charge to growers of $40-42/t for grain exports and $38/t for fertiliser imports. Key risks are the makeup of throughput as direct, client receivals and on-farm storage deliveries, which have varying revenue charges. 3. **Operating Expenditure** Operating expenditure will cover expenditure for the Port Operating Company including: - labour charges including Directors' fees, Senior Management, maintenance staff, operating staff and part time staff required during harvest - maintenance costs for plant and equipment - truck charges - transhipment vessel charges including vessel crew and maintenance charges. If all or any of these assumptions are materially less favourable than anticipated, there is likely to be a material short term impact to investor returns including distributions being suspended. **Third Part** The transhipment vessel, named Lucky Eyre, will load grain from the Port and then unload onto deep-water vessels five nautical miles from the Port. The nameplate capacity of the vessel is over 10,000 tonnes per weather working day. The transhipment vessel is also to be used for export at a port at Wallaroo that T-Ports will operate when constructed. The Underlying Trust does not publicly disclose forecasts.

Disclosure principle 8 – Valuations The infrastructure entity should disclose: (a) details on the entity's valuation policy; (b) whether valuations and supporting documentation are available to investors and, if so, how they are made available. If valuations and supporting documentation are not available to investors, the infrastructure entity should provide a summary of the valuations (required for significant infrastructure assets only) containing, at a minimum, the following information: i. whether the valuation was prepared internally or externally; ii. the date of the valuation; iii. the scope of the valuation and any limitations on the scope; iv. the purpose of the valuation; v. the value assessed and key assumptions used to determine value; vi. the key risks specific to the infrastructure assets being valued; vii. the valuation methodology; viii. the period of any forecast and terminal value assumptions; ix. the discount rate and the basis for calculating this rate; and x. the income capital expenditure and capital growth rates over the forecast period; and any circumstances that may result in a conflict of interest arising in the preparation of the valuations.	The Fund's unit pricing is based on the unit price of the Underlying Trust. The unit price of the Underlying Trust is based on the value of the Underlying Trust assets, which are valued on a bi-annual basis. The financial valuation provides an equity value of the Underlying Trust taking into account the value and anticipated performance of the T-Ports operating company and the existing assets of the Underlying Trust, whereas the asset valuation only takes into account the existing physical assets of the Underlying Trust. The most recent financial valuation was undertaken as at 30 June 2021. This valuation was conducted at a discount rate of 19.1% to 20.1% which accounted for various company specific risks including operational, financing, construction and revenue risk. The financial valuation concluded an equity value of the Underlying Trust as at 30 June 2021 was $146.8m to $151.3m, with a mid-point equity value of $149.1m on a fully diluted basis. We note that the values set out are for indicative purposes only. An external asset valuer undertook a valuation of the Underlying Trust's tangible assets, including the Lucky Bay Port, Lucky Bay and Lock bunker sites and the transhipment vessel as at 29 September 2021. The report concluded that the indicative market values of the tangible assets as at 29 September 2021 was (in aggregate) $128.56m. In addition, an independent land valuation as at 29 October 2021 was conducted on owned and leased land for the Lucky Bay Land, Lucky Bay Harbour and Lock Land. The report concluded that the indicative market values of the land assets (both owned and leased) as at 29 October 2021 was (in aggregate) $11.90m.
Disclosure principle 9 – Distribution policy An infrastructure entity that is a unit trust should disclose: (a) the current distribution policy and any rights that the entity has to change the policy; (b) on payment of distributions, the portion attributable to, for example, income, capital and debt; and the risks associated with distributions being paid from sources other than operating cash flow, including the sustainability of such distributions.	The Fund will make distributions to investors when it receives distributions from the Underlying Trust. The Underlying Trust intends to make semi-annual distributions commencing in 2023, however this is subject to amongst other variables, grain volume intake, profitability, and debt refinancing the maturing debt obligations. Distributions are made to the extent there is available cash flow having regard to capital requirements of the Underlying Trust and operational performance. Distributions may from time to time be part capital and part income distributions. On payment of a distribution, the portion of capital and income will be disclosed.

Disclosure principle 10 – Withdrawal policy Most PDSs will generally contain information on withdrawals (if withdrawal rights apply). However, for the sake of clarity, we consider that infrastructure entities that are unlisted trusts should disclose at minimum the following information: (a) whether there is a right of withdrawal and, if so, the maximum period allowed for satisfying withdrawal requests under the constitution of the infrastructure entity; (b) the withdrawal policy and any rights that the infrastructure entity has to change the policy; (c) any significant risk factors or limitations that may impact on the ability of investors to withdraw from the infrastructure entity; (d) how investors can exercise their withdrawal rights, including any conditions on exercise; (e) if withdrawal from the infrastructure entity may be funded from an external liquidity facility, the material terms of this facility, including any rights the provider has to suspend or cancel the facility; (f) how investors will be notified of any material changes to withdrawal rights and the withdrawal policy (e.g. if withdrawal rights are to be suspended); and whether the amount of capital in the infrastructure entity has been reduced by more than 10% in the last three months (this information can be updated via website disclosure).	There are no withdrawal rights from the Fund. An investment in the Fund is illiquid and should be viewed as a long-term investment. Unitholders in the Underlying Trust have no right to withdraw from the Underlying Trust other than as determined by the trustee of the Underlying Trust in its absolute discretion.
Disclosure principle 11 – Portfolio diversification An infrastructure entity should disclose: (a) details on whether it has a portfolio diversification policy and, if so, details of that policy (e.g. any criteria addressing investment size, asset and investment type, location, and political, operating and financing risk); (b) its actual portfolio diversification position compared to its portfolio diversification policy; and if there is a material variance between the entity's diversification policy and its actual position, an explanation of why the variance exists and the measures being taken to rectify it.	The Fund is a special purpose vehicle established to invest in the Underlying Trust. The Underlying Trust does not have an explicit portfolio diversification policy; however, it does intend to diversify its operations by exploring various commodity imports and exports from its primary port facility.

COVID-19

PLEASE NOTE: The Investment Manager has provided the below summary of the impact of COVID-19. The summary below has not been independently verified by the Responsible Entity, and Investors are advised to undertake their own due diligence prior to investing in the Fund.

The impact of the COVID-19 pandemic is ongoing and it has created significant disruption in private capital markets in Australia and globally which are used to capital fund the project. In addition, it impacts the flow of interstate workers. It is not practicable to estimate the potential impact going forward. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

After Disclosure Date Events

As at the publication date, the following matters have arisen since 31 March 2022 which significantly affect or may significantly affect the disclosures found in this document (noting the COVID-19 statements above)

- Operational efficiency in grain and diversification of geography and commodities are the key to long term value creation for our business and opportunities for our employees. To this end, our inaugural CEO, Kieran Carvill, now leads a dedicated T-Ports Business Development arm to focus on bringing to fruition the revenue diversification opportunities.
- With Kieran leading business development, T-Ports welcome Scott McKay as the new CEO, focused on optimising our grain supply chain at Lucky Bay and Wallaroo. Scott has significant experience in leading and growing businesses across the supply chain sector. His previous experience at Aurecon and CEO of Bowmans Rail will provide valuable support to our business.

Further Information

For further information on the Fund, please contact us on +61 3 8352 7120 or visit our website www.vascofm.com.