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most  
important  
information  
is  
provided



# EMERGING MARKETS MASTERS FUND

(ARSN 158 717 072)



## SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

SPDS FOR THE OFFER OF UP TO **12,795,893** FULLY PAID  
ORDINARY UNITS IN THE EMERGING MARKETS MASTERS FUND,  
INTENDED TO BE READ WITH THE PRODUCT DISCLOSURE  
STATEMENT DATED 19 AUGUST 2015.

RESPONSIBLE ENTITY **WALSH & COMPANY INVESTMENTS  
LIMITED** (ACN 152 367 649) (AFSL 410 433).  
THIS OFFER IS NOT UNDERWRITTEN.

## IMPORTANT INFORMATION

This is a supplementary product disclosure statement (**SPDS**) intended to be read with the product disclosure statement dated 19 August 2015 (**Original PDS**) issued by Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 433) in its capacity as responsible entity of the Emerging Markets Masters Fund (ARSN 158 717 072) (**Fund**). This SPDS is dated 6 April 2016 and was lodged with the Australian Securities & Investments Commission (**ASIC**) on that date. Neither ASIC nor any of their officers take any responsibility for the contents of this SPDS.

This SPDS is prepared and issued by Walsh & Company Investments Limited (referred to in this SPDS as **Walsh & Co, Responsible Entity, we, our, and us**). Walsh & Co is the responsible entity of the Fund.

Other than as set out in this SPDS, all details in relation to the Original PDS remain unchanged. Terms and abbreviations defined in the Original PDS have the same meaning as this SPDS.

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

This SPDS and the Original PDS contain general financial and other information. It has not been prepared having regard to your investment objectives, financial situation or specific needs. It is important that you read this SPDS and the Original PDS in their entirety before deciding to invest in the Fund and, in particular, in considering this SPDS and the Original PDS, that you consider the risk factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional advisor before deciding whether to invest.

Information in relation to the Fund may change from time to time. Where changes are not materially adverse, information may be updated and made available to you on the Fund's website at [www.emergingmarketsmastersfund.com.au](http://www.emergingmarketsmastersfund.com.au) or by calling 1300 454 801. A paper copy of any updated information is available free on request. Unless otherwise stated, information in this SPDS is current as at 6 April 2016.

## NO GUARANTEE

None of Walsh & Co nor any other party makes any representation or gives any guarantee or assurance as to the performance or success of the Fund, the rate of income or capital return from the Fund or that there will be no capital loss or particular taxation consequence of investing in the Fund. An investment in the Fund does not represent a deposit or any other type of liability of the Fund or any other party. Investment in the Fund is subject to investment risk. These risks are discussed in Section 4 of the Original PDS.

## **QUOTATION**

We will apply to the Australian Securities Exchange (**ASX**) within seven days after the date of this SPDS for the quotation of Units to be issued pursuant to this SPDS.

The fact that the Units may be quoted on the ASX is not to be taken as an indication of the merits of the Fund or the Units. Neither the ASX nor its officers take any responsibility for the contents of this SPDS.

## **ALLOTMENT**

We will not allot Units until permission has been granted for quotation of the Units to be issued under this SPDS unconditionally or on terms that are acceptable to us. It is expected that allotment of Units will take place within seven Business Days after the end of the Second Offer Period.

If permission for quotation is not granted by the ASX for the quotation of any Units by the date three months after the date of this SPDS (or such later date permitted by the Corporations Act or with the consent of ASIC) all Application Monies received in relation to those Units would be refunded in full (without interest) to the relevant Applicants as soon as practicable.

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## LETTER OF INTRODUCTION

Dear Investor

In August 2012, the Fund was established to provide investors access across the emerging markets investment universe. The Fund's differentiated investment management model combines internal investment professionals, an expert majority-independent investment committee, and external specialist regional and country fund managers, providing access to global emerging market investment funds and companies generally not available to Australian retail investors. Emerging markets are broadly defined and comprise countries in Latin America, Central and Eastern Europe, Africa, the Middle East and non-Japan Asia.

The Fund has assembled a portfolio of emerging market investments that provide exposure across a number of emerging markets including China, India, Brazil, Russia, Mexico, South Africa and several other emerging and frontier markets. Further details of the Fund's portfolio as at 29 February 2016 is included on pages 8 - 12 of this SPDS.

The Fund delivered exceptional 2015 calendar year performance, according to data sourced from Morningstar Direct<sup>SM</sup>, ranking number 1 for all emerging market equity funds available to retail investors in Australia<sup>1</sup>. In a challenging year during which the MSCI Emerging Markets Index (the **Index**) lost 4.7%, the Fund generated positive net tangible asset value (**NTA**) total return of 3.9%, outperforming the Index by 8.6%. Since inception in October 2012, up to 31 March 2016, the Fund has delivered excellent results, returning 25.3% compared with 20.8% for the Index. Investors are reminded that past performance is no guarantee of future results.

The Fund is "index agnostic", targeting investments in emerging and frontier markets in which the Investment Manager sees the greatest investment opportunity. The MSCI Emerging Markets Index has a broadly similar investable universe to the Fund, however does not include certain markets in which the Fund is invested, including frontier markets.

The Fund's unaudited NTA at 31 March 2016 was \$1.69 per Unit. The Fund targets income and long-term growth and to date has paid out a total of 21 cents in distributions since inception in 2012. The Fund's estimated NTA at 4 April 2016, 2 Business Days prior to the date of this SPDS, was \$1.70 per Unit.

In August 2015, the Fund launched a series of offers under the Original PDS. However, in light of changes in market conditions and increased volatility immediately post launch, the Responsible Entity chose to close the first offer under the Original PDS without accepting applications. As a result, the Responsible Entity, on behalf of the Fund, did not seek Unitholder approval in relation to the Original PDS. The Offer under this SPDS represents a subsequent offer as contemplated by the Original PDS.

## RATIONALE FOR THE OFFER

The Fund was established with the goal of providing attractive long-term total returns through a combination of capital appreciation and a consistent distribution stream. The Fund is undertaking

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<sup>1</sup> Morningstar Direct has not provided consent to the inclusion of trading and index data attributed to it in this SPDS

the Offer to provide potential investors with the opportunity to gain access to the Fund's differentiated and successful model for investing in emerging markets. Investors are reminded that past performance is no guarantee of future results.

The proceeds of the Offer will be used by the Fund to gain further access to leading investment securities and managers specialising in the global emerging markets equity asset class.

The capital raising will also allow the Fund to further diversify the Portfolio, provide the Fund greater bargaining power in its dealings with underlying funds, reduce administrative overheads per Unit by spreading those costs over a larger base and, over time, may enhance liquidity in the secondary market.

Like all investments, an investment in the Fund carries risk. The investment universe available to the Investment Manager of the Fund is extremely wide and the emerging markets in which investments are made are diverse. It is particularly important potential investors carefully review the risks associated with an investment in the Fund, including the risks associated with investing in emerging markets, which are set out in detail in Section 4 of the Original PDS.

We commend the Offer to you and encourage you to read this SPDS carefully (together with the IPO PDS and the Original PDS) before making your investment decision.



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Alex MacLachlan  
Chairman of the Responsible Entity



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John Holland  
Chairman of the Advisory Board

## SECTION ONE – TERMS OF THE OFFER AND STATISTICS

### TERMS OF THE OFFER

Walsh & Co lodged the Original PDS on 19 August 2015. This SPDS represents a subsequent offer (**Offer**) as contemplated under the Original PDS. Further offers may be made in the future, at the Responsible Entity's absolute discretion.

This Offer will be open from 6 April 2016 to 13 April 2016 (**Second Offer Period**).

The Responsible Entity has determined an Application Price for Applications received in the Second Offer Period of \$1.76 per Unit.

The Fund's unaudited estimated NTA as at 4 April 2016, as announced on the date of this SPDS, was \$1.70 per Unit. Units last traded on ASX at \$1.75 (on 4 April 2016).

The Responsible Entity proposes to offer up to 12,795,893 Units, the number of Units that can be issued without the need for Unitholder approval. Based on the Application Price for the Second Offer Period of \$1.76, the amount to be raised under the Offer is \$22,520,772.

Although it was indicated in the Original PDS that Unitholder approval would be sought following the Initial Offer, in light of the early closure of the Initial Offer Unitholder approval has not yet been sought. As contemplated in the Original PDS, the Responsible Entity, on behalf of the Fund, may seek Unitholder approval to issue up to a further 27,204,107 Units following the Second Offer Period.

The proceeds of the Offer will be used by the Fund to gain further access to leading investment funds and managers specialising in the global emerging markets equity asset class. The capital raising will also allow the Fund to further diversify the Portfolio, provide the Fund greater bargaining power in its dealings with underlying funds, reduce administrative overheads per Unit by spreading those costs over a larger base and, over time, may enhance liquidity in the secondary market.

The offer of up to 12,795,893 Units under the Offer is not subject to Unitholder approval.

### KEY DATES

|  |                                     |
|--|-------------------------------------|
| <b>Date of SPDS</b>  | 6 April 2016                        |
| <b>Opening Date (Second Offer Period)</b>                        | 6 April 2016                        |
| <b>Closing Date (Application Deadline) – Second Offer Period</b> | 13 April 2016                       |
| <b>Expected Allotment</b>  | 21 April 2016                       |
| <b>Despatch of holding statements</b>                            | within 3 Business Days of Allotment |
| <b>Trading of Units expected to commence</b>                     | within 3 Business Days of Allotment |

The dates are indicative only and may vary subject to the requirements of the Listing Rules and the Corporations Act. The Responsible Entity may vary the dates and times of any part of the Offer (including closing the Offer early) without notice. Accordingly, Investors are encouraged to submit their Applications as early as possible.

## OFFER STATISTICS

|   |            |
|---|------------|
| <b>Application Price (Second Offer Period)</b>  | \$1.76     |
| <b>Maximum number of Units to be issued under this SPDS<sup>1</sup></b>   | 12,795,893 |
| <b>Last NTA (unaudited) reported by Fund (as at 31 March 2016<sup>2</sup>)</b>  | \$1.69     |
| <b>Estimated unaudited NTA reported by the Fund as at 4 April 2016<sup>3</sup> (2 Business Days immediately prior to this SPDS)</b> | \$1.70     |

<sup>1</sup> There is no minimum Offer size.

<sup>2</sup> Announced to the ASX on 5 April 2016.

<sup>3</sup> Based on the latest fund manager estimates and adjusted by relevant index movements where the Responsible Entity deems appropriate.

## SECTION TWO – HOW TO APPLY

### APPLICATIONS

You can apply for Units under this SPDS at any time during the Second Offer Period. The Second Offer Period will be from 9am, 6 April 2016 to 5pm (Sydney time) 13 April 2016. If any Application is received after the Application Deadline, it will not be processed, and it and the Application Monies will be returned without interest. There is no guarantee as to the timing or occurrence of a Subsequent Offer Period following the Second Offer Period.

Applications for Units under the Offer may be made:

- by completing the Application Form attached to and accompanying this SPDS in accordance with the instructions provided; or
- by completing the Application Form through the online portal at [www.emergingmarketsmastersfund.com.au](http://www.emergingmarketsmastersfund.com.au) and paying your Application Monies through BPAY.

By making an Application, you declare that you were given access to the Original PDS and this SPDS, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form to another person unless it is attached to, or accompanied by, the SPDS in its paper copy form or the complete unaltered electronic version of the SPDS.

The Application Form attached to this SPDS supersedes the application form attached to the Original PDS. Applications received in the Second Offer Period using the application form attached to the Original PDS will not be processed. The Responsible Entity may scale-back Applications at its sole discretion.

## **POSTAL**

Emerging Markets Masters Fund Offer  
C/- Walsh & Company Investments Limited  
PO Box 575  
Canberra ACT 2601

## **HAND DELIVERED**

### **Canberra**

Emerging Markets Masters Fund Offer  
C/- Walsh & Company Investments Limited  
Level 1, 73 Northbourne Avenue  
Canberra ACT 2601

### **Sydney**

Emerging Markets Masters Fund Offer  
C/- Walsh & Company Investments Limited  
Level 15, 100 Pacific Highway  
North Sydney NSW 2060

### **Melbourne**

Emerging Markets Masters Fund Offer  
C/- Walsh & Company Investments Limited  
Level 2, 250 Victoria Parade  
East Melbourne VIC 3002

You do not need to return the Application Form if you have applied using the online Application Form. For an online Application to be complete you must submit your Application Monies via BPAY before 5.00pm (Sydney time) on 13 April 2016.

#### *Payment by cheque or bank draft*

Cheque(s) and bank draft(s) must be drawn on an Australian branch of a financial institution and made payable to "Emerging Markets Masters Fund" and crossed "Not Negotiable". Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. Accordingly, Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amounts of your cheque(s) or bank draft(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount on your Application Form) or your Application may be rejected and any cleared Application Monies, in excess of \$1.00, returned via cheque or direct deposit (where available).

#### *Payment by BPAY*

You may apply for Units under the Offer online and pay your Application Monies by BPAY. Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this Prospectus which is available at [www.emergingmarketsmastersfund.com.au](http://www.emergingmarketsmastersfund.com.au) and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (CRN)). You do not need to complete and return a paper Application Form if you pay by BPAY.

You should be aware that you will only be able to make a payment via BPAY if you are a holder of an account with an Australian Financial Institution which supports BPAY transactions.

When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use your CRN, provided during the online Application process, your Application will not be recognised as valid. It is your responsibility to ensure that payments are received by 5.00pm (Sydney time) on 13 April 2016. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies. The Fund and the Responsible Entity accept no responsibility for any failure to receive Application Monies or payments by BPAY before 5.00pm (Sydney time) on 13 April 2016, arising as a result of, among other things, processing of payments by financial institutions.

A binding contract to issue Units will only be formed at the time Units are allotted to Applicants.

Applications may be accepted at any time during the Second Offer Period.

The Responsible Entity may vary the dates and times of the Offer (including closing the Offer early) at any time without notice in accordance with the Listing Rules and Corporations Act.

There is no cooling-off period for Investors. This means once you have submitted your Application Form you will not be able to withdraw your Application, other than as permitted by the Corporations Act.

### **SECTION THREE - FUND PORTFOLIO UPDATE**

The Fund generally provides a Portfolio update in each of its quarterly updates available on the ASX Company Announcements Platform and the Fund's website. The following table outlines a summary of the Fund's underlying managers at 29 February 2016. The Fund is index agnostic; references to an "Index" refers to the MSCI Emerging Markets Index and has been provided for comparative purposes only.

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**TABLE 1: CURRENT PORTFOLIO**

| <b>Manager</b>  | <b>Mandate</b>                    | <b>Weight at 29 February 2016</b> |
|---|-----------------------------------|-----------------------------------|
| <b>Steadview Capital Fund</b>                         | India country specialist          | 15.2%                             |
| <b>BMO LGM Frontier Markets Fund</b>                  | Global Frontier Markets           | 14.3%                             |
| <b>Somerset Emerging Markets Dividend Growth Fund</b> | Global Emerging Markets           | 9.7%                              |
| <b>Lazard Emerging Markets Fund</b>                   | Global Emerging Markets           | 8.9%                              |
| <b>Polunin Discovery Frontier Markets Fund</b>        | Global Frontier Markets           | 7.5%                              |
| <b>APS China A-Share Fund</b>                         | China country specialist          | 6.4%                              |
| <b>Arisaig Africa Consumer Fund</b>                   | Africa consumer specialist        | 5.5%                              |
| <b>Cephei QFII China Absolute Return Fund</b>         | China country specialist          | 5.2%                              |
| <b>NCC China A-Share Fund</b>                         | China country specialist          | 4.8%                              |
| <b>Arisaig Latin America Consumer Fund</b>            | Latin America consumer specialist | 4.5%                              |
| <b>GBM Crecimiento Fund</b>                           | Mexico country specialist         | 4.1%                              |
| <b>Schroder International Emerging Europe Fund</b>    | Eastern Europe region             | 2.9%                              |
| <b>Wells Fargo China Equity Fund</b>                  | China country specialist          | 2.9%                              |
| <b>East Capital Russian Fund</b>                      | Russia country specialist         | 1.6%                              |
| <b>Cash*</b>  |                                   | 6.6%                              |
| <b>Total**</b>  |                                   | <b>100.0%</b>                     |

\* Excludes cash held by underlying investment managers. After 29 February 2016 the Fund invested approximately 1% of cash at 29 February 2016 into the iShares MSCI Brazil Capped ETF and approximately 3% of cash at 29 February 2016 in the Wells Fargo China Equity Fund (in addition to the initial 2.9% outlined in the table above).

\*\* Figures may not reconcile due to rounding.

Source: Walsh & Company Asset Management Pty Limited

## Portfolio Allocation

The Fund generally provides a Portfolio allocation, regional weighting and sector weighting update in each of its quarterly updates available on the ASX Company Announcements Platform and the Fund's website. The following tables outline the Fund's investments by country, region and sector as at 29 February 2016.

**TABLE 2: COUNTRY WEIGHTS**

| Country               | Fund Weight   | Index Weight <sup>1</sup> | Active Weight <sup>2</sup> |
|-----------------------|---------------|---------------------------|----------------------------|
| China                 | 19.4%         | 24.3%                     | (4.8%)                     |
| India                 | 18.1%         | 8.0%                      | 10.0%                      |
| Mexico                | 6.1%          | 4.6%                      | 1.5%                       |
| Russia                | 3.9%          | 3.7%                      | 0.2%                       |
| Brazil                | 2.4%          | 5.7%                      | (3.3%)                     |
| South Africa          | 1.9%          | 6.9%                      | (5.0%)                     |
| Other <sup>3</sup>    | 18.2%         | 46.7%                     | (28.4%)                    |
| Frontier <sup>4</sup> | 23.3%         | -                         | 23.3%                      |
| Cash <sup>5</sup>     | 6.6%          | -                         | 6.6%                       |
| <b>Total</b>          | <b>100.0%</b> | <b>100.0%</b>             | -                          |

<sup>1</sup> MSCI Emerging Markets Index. The Fund does not have a benchmark; it has been provided for comparison purposes only.

<sup>2</sup> Active weight represents the amount in absolute percentage terms the Fund's holding weights are above or below the MSCI Emerging Markets Index. The Fund does not have a benchmark; it has been provided for comparison purposes only.

<sup>3</sup> Other includes South Korea and Taiwan.

<sup>4</sup> Frontier markets are a subset of the emerging markets that are investable but are generally characterised as having a less established investment market. The frontier markets are too underdeveloped or of insufficient scale to qualify for the MSCI Emerging Markets Index.

<sup>5</sup> Excludes cash held by underlying investment managers. Figures may not reconcile due to rounding.

Source: Bloomberg, Walsh & Company Asset Management Pty Limited. Bloomberg has not provided consent to the inclusion of trading and index data attributed to it in this SPDS.

**TABLE 3: REGION WEIGHTS**

| Region                              | Fund Weight   | Index Weight <sup>1</sup> | Active Weight <sup>2</sup> |
|-------------------------------------|---------------|---------------------------|----------------------------|
| Asia                                | 53.0%         | 70.9%                     | (17.9%)                    |
| EMEA (Europe, Middle East & Africa) | 27.1%         | 16.5%                     | 10.5%                      |
| Latin America                       | 13.3%         | 12.5%                     | 0.7%                       |
| Cash <sup>3</sup>                   | 6.6%          | -                         | 6.6%                       |
| <b>Total</b>                        | <b>100.0%</b> | <b>100.0%</b>             | -                          |

<sup>1</sup> MSCI Emerging Markets Index. The Fund does not have a benchmark; it has been provided for comparison purposes only.

<sup>2</sup> Active weight represents the amount in absolute percentage terms the Fund's holding weights are above or below the MSCI Emerging Markets Index. The Fund does not have a benchmark; it has been provided for comparison purposes only.

<sup>3</sup> Excludes cash held by underlying investment managers. Figures may not reconcile due to rounding.

Source: Bloomberg, Walsh & Company Asset Management Pty Limited.

**TABLE 4: SECTOR WEIGHTS**

| Sector                     | Fund Weight   | Index Weight <sup>1</sup> | Active Weight <sup>2</sup> |
|----------------------------|---------------|---------------------------|----------------------------|
| Consumer staples           | 23.4%         | 8.5%                      | 14.9%                      |
| Financials                 | 18.6%         | 27.0%                     | (8.4%)                     |
| Information technology     | 12.9%         | 20.7%                     | (7.7%)                     |
| Consumer discretionary     | 10.7%         | 9.5%                      | 1.2%                       |
| Industrials                | 10.6%         | 7.3%                      | 3.3%                       |
| Materials                  | 5.0%          | 6.5%                      | (1.4%)                     |
| Telecommunication services | 3.7%          | 7.1%                      | (3.4%)                     |
| Healthcare                 | 3.5%          | 2.8%                      | 0.8%                       |
| Energy                     | 3.4%          | 7.5%                      | (4.0%)                     |
| Utilities                  | 1.4%          | 3.2%                      | (1.8%)                     |
| Cash <sup>3</sup>          | 6.6%          | -                         | 6.6%                       |
| <b>Total</b>               | <b>100.0%</b> | <b>100.0%</b>             | -                          |

<sup>1</sup> MSCI Emerging Markets Index. The Fund does not have a benchmark; it has been provided for comparison purposes only.

<sup>2</sup> Active weight represents the amount in absolute percentage terms the Fund's holding weights are above or below the MSCI Emerging Markets Index. The Fund does not have a benchmark; it has been provided for comparison purposes only.

<sup>3</sup> Excludes cash held by underlying investment managers. Figures may not reconcile due to rounding.

Source: Bloomberg, Walsh & Company Asset Management Pty Limited.

#### **SECTION FOUR - RISKS**

Prior to investing, you should consider the risks involved in investing in the Fund and whether the Fund is appropriate for your objectives and financial circumstances. Some of the risks are outside the control of the Responsible Entity and you should read this SPDS and the Original PDS in its entirety to fully understand the risks associated with an investment in the Fund. Risks are outlined in Section 4 of the Original PDS.

## SECTION FIVE - FEES AND COSTS AND IMPACT ON THE FUND

### Fees and Costs

Refer to the Original PDS for further information on the fees and costs of the Offer. The Fees and costs of the Offer are as per the Original PDS other than underlying fund manager fees. Managers of underlying funds may charge fees associated with the performance of their management function. These fees may include entry fees, transaction fees, exit fees, ongoing management fees and performance fees. In the Original PDS these fees, calculated as the weighted average of the Fund's underlying manager fees as at 30 June 2015, were estimated to be approximately 1.4% per annum of the gross assets of the Fund. As at the date 21 March 2016 underlying management fees were estimated to be approximately 1.3% per annum of the gross assets of the Fund. Underlying management fees will depend on the structure of the underlying fund. In addition to this estimate, performance fees may be payable to underlying fund managers.

The reduction in estimated underlying management fees from the Original PDS in turn reduces the example annual fees and costs for an investment in the Fund in Table 6 of the Original PDS.

**TABLE 5: EXAMPLE OF ANNUAL FEES AND COSTS FOR AN INVESTMENT IN THE FUND**

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

| EXAMPLE INVESTMENT      |         | Investment of \$50,000  |
|-------------------------|---------|---|
| CONTRIBUTION FEES       | Nil     | Not applicable  |
| PLUS Management Costs   | 2.4286% | AND, if you have an investment of \$50,000, you would be charged \$1,214.30 (inclusive of GST and net of RITC) each year.   |
| EQUALS Cost of the Fund | 2.4286% | If you had an investment of \$50,000 during a year and your balance was \$50,000, then for that year, you would be charged fees of \$1,214.30 (inclusive of GST and net of RITC). |

## SECTION SIX – IMPACT ON THE FUND

The unaudited pro forma statements of financial position have been prepared to illustrate the financial position of the Fund following completion of the Offer and the expenditure of the Fund associated with the Offer. These pro forma statements are intended to be illustrative only and will not reflect the actual position and balances as at the date of this SPDS or at the completion of the Offer.

The unaudited pro forma statements of financial position have been prepared in accordance with the Fund's significant accounting policies and applying the assumptions outlined below. They have not been audited or reviewed by the Fund's auditor.

## HISTORICAL AND UNAUDITED PRO FORMA STATEMENTS OF FINANCIAL POSITION

| \$'000            | Historical 31 December 2015 | Pro forma Offer 6.4 million Units | Pro forma Offer 12.8 million Units |
|-------------------|-----------------------------|-----------------------------------|------------------------------------|
| Cash              | 3,846                       | 14,715                            | 25,622                             |
| Total assets      | 158,462                     | 169,331                           | 180,238                            |
| Total liabilities | 4,223                       | 4,223                             | 4,223                              |
| <b>Net assets</b> | <b>154,239</b>              | <b>165,108</b>                    | <b>176,015</b>                     |

### KEY ASSUMPTIONS

The pro forma Statements of Financial Position have been prepared on the basis of the following assumptions by the Directors of Walsh & Co:

- (a) Application of the Fund's significant accounting policies;
- (b) The column headed "Historical 31 December 2015" reflects information extracted from the historical financial statements for the Fund for the full-year ended 31 December 2015 released to the market through the ASX on 23 February 2016;
- (c) The column headed "Pro forma Offer 6.4 million Units" has been prepared as if the Offer raises gross proceeds of approximately \$11.3 million through the issue of 6,397,947 Units at an issue price of \$1.76;
- (d) The column headed "Pro forma Offer 12.8 million Units" has been prepared as if the Offer raises gross proceeds of approximately \$22.5 million through the issue of 12,795,893 Units, being the maximum number of Units to be issued in the Second Offer Period under this SPDS at an issue price of \$1.76;
- (e) Payment of handling fees of 1.5675% (inclusive of GST and net of RITC) and a structuring fee of 1.5675% (inclusive of GST and net of RITC) of the funds raised under the Offer and expenses associated with the Offer of approximately \$40,000 (inclusive of GST and net of RITC). See Section 7.2 of the Original PDS for details; and
- (f) No interest is earned by the Fund during the Offer Period.

## CAPITAL STRUCTURE

As at the date of this SPDS a total of 85,305,956 Units are on issue.

The table below shows the capital structure of the Fund as at 31 March 2016 assuming an issue of 6.4 million Units and 12.8 million Units respectively under this SPDS.

| Units                            | Pro forma Offer 6.4 million <sup>2</sup> Units |             | Pro forma Offer 12.8 million <sup>3</sup> Units |             |
|----------------------------------|--|-------------|---|-------------|
|                                  | Number   | %           | Number  | %           |
| Existing <sup>1</sup>            | 85,305,956                                     | 93.0%       | 85,305,956                                      | 87.0%       |
| New Units issued under the Offer | 6,397,947                                      | 7.0%        | 12,795,893                                      | 13.0%       |
| <b>Total</b>                     | <b>91,703,903</b>                              | <b>100%</b> | <b>98,101,849</b>                               | <b>100%</b> |

<sup>1</sup> The existing Units on issue as at the date of this SPDS.

<sup>2</sup> Assumes the issue of 6,397,947 Units under the Offer.

<sup>3</sup> Assumes the issue of 12,795,893 Units, being the maximum number of Units under the Offer.

The Responsible Entity does not believe the Offer will affect the control of the Fund.

## SECTION SEVEN - UNIT TRADING PERFORMANCE AND NTA

The following chart sets out the Units daily closing price since the Fund's admission to the ASX on 11 October 2012, to 31 March 2016.



Source: IRESS. IRESS has not provided consent to inclusion of the trading data attributed to it in this SPDS.

The following table summarises the trading data of the Fund since admission to the ASX on 11 October 2012.

| Period   | High (\$) | Low (\$) | VWAP (\$) |
|--|-----------|----------|-----------|
| Month to 31 March 2016   | 1.86      | 1.69     | 1.73      |
| 3 months to 31 March 2016  | 1.86      | 1.68     | 1.73      |
| 6 months to 31 March 2016  | 2.03      | 1.68     | 1.83      |
| 12 months to 31 March 2016                                       | 2.13      | 1.68     | 1.89      |
| 2 years to 31 March 2016   | 2.13      | 1.58     | 1.82      |
| Since admission to the ASX<br>(11 October 2012 to 31 March 2016) | 2.13      | 1.54     | 1.77      |

Source: IRESS.

In the 12 months to 31 March 2016, approximately 4.8 million Units have traded on the ASX representing approximately 5.6% of the Units on issue as at 31 March 2016.

#### SECTION EIGHT - CONTINUOUS DISCLOSURE

The Fund is a disclosing entity for the purposes of Section 111AC(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations require the Fund to:

- (a) Prepare and lodge with the ASIC both yearly and half-yearly financial statements accompanied by a directors' statement and report and an audit or review report; and
- (b) Immediately notify the ASX of any information concerning the Fund of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in the Fund, subject to certain limited exceptions related mainly to confidential information.

Copies of documents lodged at the ASIC in relation to the Fund may be obtained from or inspected at an office of the ASIC. Copies of documents lodged with the ASX in relation to the Fund may be obtained from, or inspected at, an office of the ASX, and can also be found at [www.asx.com.au](http://www.asx.com.au).

The Fund will provide a copy of the financial statements for the Fund for the year ended 30 June 2015 and any of the announcements referred to below free of charge to any person who requests a copy in relation to this SPDS.

Below is a list of all announcements since the release of the Fund's Full Year Statutory Accounts for the full year ended 30 June 2015.

| <b>Date</b>       | <b>Announcement</b>                                      |
|-------------------|--|
| 19 August 2015    | NTA Update   |
| 19 August 2015    | Capital Raising Announcement                             |
| 19 August 2015    | Product Disclosure Statement                             |
| 19 August 2015    | Unit Purchase Plan Booklet                               |
| 19 August 2015    | Capital Raising Presentation                             |
| 19 August 2015    | Appendix 3B  |
| 21 August 2015    | Cleansing Notice   |
| 25 August 2015    | Capital Raising Update                                   |
| 11 September 2015 | Net Tangible Asset Backing                               |
| 14 September 2015 | Annual Report to Unitholders                             |
| 17 September 2015 | Appendix 3F  |
| 14 October 2015   | Net Tangible Asset Backing                               |
| 30 October 2015   | Quarterly Investment Update September 2015               |
| 12 November 2015  | Net Tangible Asset Backing                               |
| 4 December 2015   | Announcement of buy-back – Appendix 3C                   |
| 11 December 2015  | Net Tangible Asset Backing                               |
| 17 December 2015  | 31 December 2015 Distribution                            |
| 17 December 2015  | Dividend/Distribution – EMF                              |
| 18 December 2015  | Update – Dividend/Distribution – EMF                     |
| 8 January 2016    | Daily share buy-back notice – Appendix 3E                |
| 11 January 2016   | Daily share buy-back notice – Appendix 3E                |
| 12 January 2016   | Daily share buy-back notice – Appendix 3E                |
| 13 January 2016   | Daily share buy-back notice – Appendix 3E                |
| 13 January 2016   | Net Tangible Asset Backing                               |
| 14 January 2016   | Daily share buy-back notice – Appendix 3E                |
| 22 January 2016   | DRP Price Announcement                                   |
| 22 January 2016   | Update – Dividend/Distribution – EMF                     |
| 29 January 2016   | 31 December 2015 Distribution                            |
| 29 January 2016   | Appendix 3B  |
| 29 January 2016   | Quarterly Investment Update December 2015                |
| 4 February 2016   | Change of Director's Interest Notice – Thomas Kline      |
| 4 February 2016   | Change of Director's Interest Notice – Tristan O'Connell |
| 10 February 2016  | Fund Update  |
| 12 February 2016  | Net Tangible Asset Backing                               |
| 23 February 2016  | Half Yearly Report and Accounts                          |
| 11 March 2016     | Net Tangible Asset Backing                               |
| 5 April 2016      | Net Tangible Asset Backing                               |

## SECTION NINE – GLOSSARY

Refer to the Original PDS glossary in addition to the glossary below.

| <b>Term</b>                 | <b>Explanation</b>  |
|-----------------------------|---|
| <b>Allotment</b>            | The allocation and allotment of Units to Investors following acceptance of an Application   |
| <b>Applicant</b>            | An applicant for Units under this SPDS  |
| <b>Application</b>          | An application for Units under this SPDS  |
| <b>Application Deadline</b> | 5:00pm (Sydney time) on the 13 April 2016   |
| <b>Application Form</b>     | An application form in the form attached to this SPDS and the online Application Form available at <a href="http://www.emergingmarketsmastersfund.com.au">www.emergingmarketsmastersfund.com.au</a> |
| <b>Application Monies</b>   | The Application Price multiplied by the number of Units applied for   |
| <b>Application Price</b>    | In respect of the Second Offer Period, \$1.76 per Unit.   |
| <b>Index</b>                | Use of the term “the Index” refers to the MSCI Emerging Markets Index   |
| <b>IPO PDS</b>              | The replacement product disclosure statement issued by the Responsible Entity dated 29 August 2012.   |
| <b>Offer</b>                | The offer of up to 12,795,893 Units under this SPDS.  |
| <b>Original PDS</b>         | The product disclosure statement issued by the Responsible Entity on behalf of the Fund on 19 August 2015   |
| <b>Second Offer Period</b>  | The period in which the Responsible Entity will accept Applications and Application Monies under this SPDS expected to be from 9am (Sydney time) 6 April 2016 to 5pm (Sydney time) 13 April 2016    |
| <b>SPDS</b>                 | This supplementary product disclosure statement dated 6 April 2016  |



only  
the  
most  
comprehensive  
and  
reliable  
information  
available

RESPONSIBLE ENTITY:

**WALSH & COMPANY**  
INVESTMENTS LIMITED

ACN 152 367 649  
AFSL 410 433