

## 1.1 Key Features

This summary sets out the key terms of the Fund. It is not complete and is qualified in its entirety by the further information set out in this Information Memorandum. The complete terms of the Fund are set out in the Fund's constitution.

Feature	Description
<b>The Fund</b>	The Murray-Darling Basin Balanced Water Fund, being the trust constituted by the Constitution.
<b>Purpose of the Fund</b>	Invest in permanent water entitlements within the southern Murray-Darling Basin (sMDB) to deliver multiple benefits to irrigators, Traditional Owners, the environment and collaborating investors.
<b>Fund Structure</b>	A unit trust that is an open-ended, unlisted, unregistered managed investment scheme.
<b>Unit Price</b>	The Unit Price is calculated monthly, on the last Business Day of each calendar month.
<b>Issue of Units</b>	<p>Units are issued monthly at the prevailing Unit Price plus the Buy Fee of 0.5%.</p> <p>The prevailing Unit Price is the unit price at the end of the month in which both the Application Form and Application Monies have been received and accepted by the Trustee. The cut-off time for receipt is 5.00pm on the last Business Day of each calendar month. Completed applications received after this cut-off date will be issued in the following month, at the prevailing Unit Price for that month.</p>
<b>Term</b>	<p>The Fund is open-ended, with no fixed term.</p> <p>There are limited circumstances in which the Fund may be terminated and wound-up, including if there is a material failure by the Trustee to make donations for environmental watering purposes and The Nature Conservancy Australia may compel the Trustee to do so in such circumstances. See Section 9.9 for further information.</p>
<b>Redemptions</b>	<p>Prior to 30 June 2026, Investors may request a redemption and where the Trustee deems that this:</p> <ul style="list-style-type: none"> <li>• is in the best interests of the Fund and Investors as a whole, and</li> <li>• will not affect the Fund's ability to meet cashflow or other obligations,</li> </ul> <p>then following a ninety-day notice period the Trustee will use reasonable endeavours to process redemption request as follows:</p> <ul style="list-style-type: none"> <li>• Firstly, out of any 'excess cash' held by the Fund,</li> <li>• Secondly, where excess cash is unavailable, using up to 25% of any new capital raised, and</li> <li>• Finally, if a redemption is not fully satisfied by the preceding options, from the sale of the Fund's water entitlements and/or other water assets.</li> </ul> <p>On and from 30 June 2026, outstanding redemption requests will be processed by the Trustee as soon as reasonably practicable and by no later than 31 December 2026. Redemption requests received after 30 June 2026 will be met within six months of the redemption request.</p> <p>The restrictions applying to redemptions are summarised in Section 9.7.</p>
<b>Investment Strategy</b>	To invest in sMDB water entitlements.
<b>Investment Objectives</b>	The Fund's financial objective is to achieve long term capital appreciation of its Water Entitlement portfolio, in addition to yield from the lease of entitlements and the sale of temporary Water Allocation(s) not used for environmental watering.
<b>Impact Objectives</b>	<p>The Fund's environmental objective is to restore threatened wetlands and support threatened freshwater species across the sMDB.</p> <p>The Fund's social objectives are to sustain irrigator access to water through the lease of water entitlements and the sale of water allocations, and to work with Traditional Owners to identify and implement targeted culturally significant watering activities.</p>
<b>Target Return</b>	9% to 12% p.a. (before tax) equity returns over a 10-year investment period and based on other factors set forth in Section 4.3. <sup>3</sup>

<sup>3</sup> These returns (and each target yield or target return statement in this Information Memorandum) are target returns only and not forecasts. Section 4 (Financial Returns) describes the Trustee's basis for these target returns and Section 7 (Risks) describes the key risks to the Fund achieving these target returns. There is no guarantee the target returns stated in this Information Memorandum will be achieved.

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<b>Distributions</b>	<p>The Fund targets the payment of an annual distribution equivalent to 2% of NAV to be paid in two instalments. An interim distribution is to be paid on the results for the six months ending 31 December. The final instalment is to be paid on the results for the year to 30 June less any interim distribution paid.</p> <p>Any distributions will be made on a post-tax basis, in proportion to the number of Units held on the relevant distribution date.</p> <p>There is no guarantee of a cash distribution in any year.</p>
<b>Trustee</b>	Kilter Investments Pty Limited AFSL 414 142 ACN 152 558 113 (Kilter Investments).
<b>Portfolio Manager</b>	Kilter Pty Ltd ACN 111 305 349 (Kilter Rural).
<b>Fund Sponsor</b>	The Nature Conservancy Limited ACN 104 635 654 (The Nature Conservancy Australia).
<b>Fees and Expenses</b>	<p>There are fees and expenses payable in relation to the management of the Fund:</p> <p>The Portfolio Manager is entitled to receive the following:</p> <ul style="list-style-type: none"> <li>a) a Management Fee of 0.55% of gross assets under management, and</li> <li>b) a Performance Fee equal to 15% of Investor returns above a performance hurdle of 6% per annum (before tax), subject to a High Water Mark.</li> </ul> <p>The Trustee is entitled to receive a Trustee Fee of 0.15% of gross assets under management.</p> <p>The Trustee and the Portfolio Manager are also entitled to be reimbursed for external costs incurred in the proper performance of their respective roles.</p>
<b>Buy/Sell Spread</b>	<ul style="list-style-type: none"> <li>• Buy 0.5%</li> <li>• Sell 0.5%</li> </ul> <p>These fees are payable to the Fund to cover estimated transaction costs associated with the purchase and sale of Fund assets.</p>
<b>Indebtedness</b>	<p>The Fund has a \$10 million secured debt facility with ANZ.</p> <p>The Fund may incur additional indebtedness from time to time, at the discretion of the Trustee, but where total debt will represent more than 20% of the Gross Asset Value of the Fund at the time the borrowings are incurred, the consent of The Nature Conservancy Australia and Advisory Committee are required.</p>
<b>Minimum Commitment</b>	The Minimum Commitment to the Fund by each investor is \$50,000. The Trustee may, at its sole discretion, accept applications for less than this amount.
<b>Eligible Investors</b>	The Offer is available to Australian residents who are Wholesale Investors.