

NOTICE TO INVESTORS

FLINDERS EMERGING COMPANIES FUND – CLASS A AND CLASS B (FUND)

ARSN 607 268 048

23 May 2022

Update to Investment Guidelines

Background

As Responsible Entity of the Fund, Warakirri Asset Management would like to inform you of an update to the Fund's Investment Guidelines outlined below to take effect immediately. The current guidelines state that:

The Fund will invest in a diversified portfolio of stocks comprising listed (or soon to be listed) companies that are outside the S&P/ASX 100 Index (90%-100% of the Fund) with the remainder of the Fund in cash (0%-10%).

The following guidelines apply when selecting investments for the Fund:

- *Minimum of 30 companies;*
- *Maximum of 60 companies;*
- *Maximum shareholding of 10% in any one listed company;*
- *No more than 10% of the portfolio in any one company;*
- *A company's holding in the portfolio will not exceed 5% (overweight) above or less than 5% (underweight) below the benchmark weight;*
- *Where securities subsequently become part of the S&P/ASX 100 Index, they will be sold within 12 months following the inclusion of the securities in the S&P/ASX 100 Index;*
- *The Fund may invest up to 10% of the Fund in securities listed on the New Zealand Stock Exchange. No other overseas listed investments are permitted;*
- *The Fund may use derivatives for risk management purposes, as substitutes for physical securities; and*
- *The Fund will not be geared.*

What is changing

While the above guidelines continue to remain in place, in addition to the Fund's ability to use derivatives for risk management purposes, the Fund may also use other listed instruments for risk management purposes as substitutes for physical securities, and as a short-term measure to equitise cash.

Rationale for the Change

Holding cash balances will typically reduce the return of a portfolio because cash usually yields a lower rate of return than equity. Cash equitisation refers to the purchase of a security to reduce the drag on performance caused by having unnecessary cash in a portfolio.



More information

If you have any questions or require further information regarding the above, please email contact@warakirri.com.au or call us on 1300 927 254.

This Notice is issued by Warakirri Asset Management Ltd (ABN 33 057 529 370) (AFSL 246782). The information is of a general nature and does not take into account an investor's personal needs, financial circumstances or objectives. Investors should consider the Fund's Product Disclosure Statement (PDS), Reference Guide, Target Market Determination (TMD), this notice and any other current notices which are available at www.warakirri.com.au and seek independent advice from their financial adviser.