

24 May 2017

Dear Investor

**Ausbil MicroCap Fund – lifting of the temporary suspension and resumption of daily applications and withdrawals**

As communicated to you on Monday 1 May 2017, Ausbil Investment Management Limited (ABN 26 076 316 473 AFSL 229722) (**Responsible Entity, Ausbil, we**), in its capacity as Responsible Entity of the Ausbil MicroCap Fund (ARSN 130 664 872 (**Fund**)), determined that it was in the best interests of the unitholders of the Fund to temporarily suspend applications and withdrawals in the Fund in order to make an interim distribution.

This decision was considered necessary in order to ensure the most appropriate and equitable outcome for all unitholders, that is to distribute income and net realised capital gains to all unitholders, including those wishing to withdraw, so that all unitholders receive their fair and equitable portion of distributable income.

**We wish to advise that we anticipate the temporary suspension of applications and redemptions will cease with effect as at 5pm (Sydney time) on Wednesday, 24 May 2017.**

We intend to issue a new product disclosure statement (PDS) on 25 May 2017. In addition, previous restrictions on new and additional application limits will be removed.

**Interim distribution**

The proposed interim distribution will be effective on 24 May 2017 and processed for payment on 25 May 2017 for those unitholders who have elected to receive the distribution as cash.

If you have elected to receive the distribution as cash, then you will receive the money in your bank account in the days following. If you have elected to reinvest the distribution, then the reinvested units will be applied using the ex-distribution unit price on 24 May 2017.

Please note, immediately following the distribution, the Fund's unit price will be lower reflecting the interim distribution (income and net realised capital gains) that has been paid out of the Fund. The cents per unit distribution will be available on our website, [www.ausbil.com.au](http://www.ausbil.com.au) before the close of business on 25 May 2017.

You will receive your distribution statement relating to the interim distribution in the normal way, ie via email or by mail.

The interim distribution will form part of your 2016/17 taxable income and will be reflected in the annual tax statement sent to you by 31 July 2017.

### **Withdrawal requests**

If we have received and accepted a valid withdrawal request during the temporary suspension period, the withdrawal will be processed using the withdrawal price on 25 May 2017. This withdrawal price will reflect the value of the Fund's assets on this day and will exclude the value of the interim distribution.

The proceeds will be transferred to your bank account in the days following.

You will receive your withdrawal confirmation statement relating to the withdrawal in the normal way, ie via email or by mail.

### **No change to the Fund's objective or investment process**

The Fund's investment objective remains unchanged, being to achieve returns (before fees and taxes) in excess of the S&P/ASX Emerging Companies Accumulation Index (benchmark) over the medium to long term.

The Fund's investment approach (how Ausbil manages the Fund) remains the same, and in fact Ausbil's core investment process has been successfully implemented by Ausbil's investment professionals over the past 20 years.

### **Experienced investment professionals**

John Grace, who has been with Ausbil for over 15 years, is the lead portfolio manager of the Fund and Josh Clark continues to be the Fund's equity analyst.

John and Josh are supported by the broader Ausbil investment team, which has an additional 16 investment professionals. The team is led by Paul Xiradis, John Grace and Gian Pandit. The investment team consists of investment professionals that include the portfolio managers, chief economist, equity analysts, environmental social and governance (ESG) analysts, quantitative support and dealers.

With over 300 years of collective investment experience, the members of the investment team have each seen multiple market cycles and in combination are responsible for managing approximately \$10 billion in funds under management as at 30 April 2017, predominantly in Australian equity portfolios.

Ausbil is committed to the Fund and the broader microcap sector and we believe that this provides important input to the broader Ausbil investment process. To this end, we have commenced discussion with a shortlist of preferred candidates to recruit an additional professional for the team.

### **Further information**

We appreciate your patience over the past four weeks and rest assured we believe that the decision to temporarily suspend applications and withdrawals was considered necessary in order to ensure the most appropriate and equitable outcome for all unitholders.

If you would like a copy of the PDS or you have any questions, please call our client services team on 1800 287 245, during Sydney business hours.



**Paul Xiradis**

Director

Ausbil Investment Management Limited