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1 February 2017

Dear Investor

Ausbil MicroCap Fund – new and additional applications restricted to \$50,000 and \$10,000 (respectively) from 1 March 2017

Ausbil Investment Management Limited (ABN 26 076 316 473 AFSL 229722), in its capacity as Responsible Entity of the Ausbil MicroCap Fund (ARSN 130 664 872) (**Fund**), wishes to advise that it will be placing application limits on the amount that investors can invest in the Fund.

Since the Fund's inception in July 2010 to 31 December 2016, the Fund has consistently provided unitholders with good performance returns. During this period the Fund has grown significantly with funds under management over \$410 million as at 31 December 2016.

Given the level of funds under management and the inherent capacity constraints in the microcap investment strategy, Ausbil has decided that it is in the best interests of unitholders to limit the maximum amount that investors can apply to the Fund.

Effective from 1 March 2017, initial investments will be limited to a maximum of \$50,000. Additional investments will be limited to a maximum of \$10,000. Please note that there is no change to the minimum investment amounts for initial and additional investments, which are \$20,000 and \$5,000, respectively.

Any amount applied for that is outside the investment ranges will be returned to investors.

The decision to restrict the quantum of investments into the Fund has been a difficult one for Ausbil, however we believe that these limitations will help to both stabilise the Fund's cash flows and ensure that the Fund continues to meet its investment objectives. Ultimately, we believe that this is in the best interests of unitholders.

Further information

If you have any questions, please call our client services team on 1800 287 245 during Sydney business hours.

Yours sincerely



Mark Knight
Ausbil Investment Management