



28 June 2017 Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

**Investment Management Agreement
Pre-Quotation Disclosures**

At the request of ASX, WAM Microcap Limited (ACN 617 838 418) (Company) provides the following additional disclosures in relation to the investment management agreement with MAM Pty Limited (ACN 100 276 542) (Manager) dated 5 May 2017 (Management Agreement):

- a) The Company does not hold an Australian financial services licence (AFSL) and therefore requires an entity with appropriate AFSL authorisations and investment experience to manage its portfolio. After the Management Agreement expires, the Company will need to enter a new agreement with the Manager or appoint another investment manager. The Company expects that the new management agreement and any changes to the Company's investment strategy would be subject to shareholder approval.
- b) The Company has exclusively appointed the Manager to manage the Company's portfolio on the terms set out in the Management Agreement.
- c) The Manager has no right to be issued securities of the Company under the Management Agreement (whether in satisfaction of the amounts due under the Management Agreement or otherwise).
- d) There is no provision in the Management Agreement allowing the management fee or performance fee to be reviewed or varied over the term of the Management Agreement.
- e) If the Management Agreement is terminated at any stage, the portfolio would need to be assigned to a replacement manager with appropriate AFSL authorisations and a new management agreement would need to be put in place.

W | A | M Microcap

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The Company would seek all necessary shareholder approvals if this were to occur.

- f) The Manager is able to provide similar management services to entities other than the Company. To protect the confidentiality of information related to the Company and its assets under management, the Manager has provided various confidentiality undertakings in the Management Agreement. These undertakings are consistent with market practice. Importantly these undertakings:
 - (i) prohibit the Manager from using the Company's information for any purpose other than in its role as the Company's Manager; and
 - (ii) require the Manager to take all reasonable, proper and effective precautions to maintain the confidential nature of the Company's information.

The Manager must also comply with the allocation policy set out in Section 3.10 of the prospectus issued by the Company on 5 May 2017 to manage potential conflicts of interests.

Sincerely,

A handwritten signature in black ink, appearing to read 'K Thorley', written in a cursive style.

Kate Thorley
Director