

05 April 2024

## **Proposal to delist Forager Australian Shares Fund (ARSN 139 641 491) (ASX: FOR) from ASX**

### **Summary**

The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235 150) (**Responsible Entity**) in its capacity as responsible entity for Forager Australian Shares Fund (ASX: FOR) (the **Fund** or **FOR**) has applied to the Australian Securities Exchange (**ASX**) and received in-principle approval to be removed from the official list of the ASX (**Official List**) (**Delisting**).

The Delisting is considered by the Responsible Entity to be in the best interests of unitholders of the Fund (Unitholders) for a number of reasons, including low levels of trading liquidity and units consistently trading below net asset value (**NAV**) which outweigh the benefits of remaining listed.

The Responsible Entity considers that the Fund would more appropriately operated as an open-ended, unlisted unit trust with daily (if that day is a business day) redemptions and subscriptions based on NAV.

### **Delisting**

The key reasons for seeking to be removed from the Official List are:

- **Limited liquidity:** Trading in units is limited in frequency and volume. In the six months prior to the RE announcing its intention to pursue a Delisting (on 12 October 2023), the average daily traded volume of the Fund's units on the ASX was 37,186 units with an average daily value of approximately AUD\$46,057. This represents an average daily traded volume of 0.037 percent of the total issued units of 99,851,310. Therefore, currently Unitholders are experiencing extremely limited liquidity despite the Fund's ASX listing; and
- **Units consistently trading below net asset value:** In the six months prior to the Responsible Entity announcing its intention to pursue a Delisting, the Units were trading at an average discount of more than 14% to net asset value.

ASX has provided its 'in-principle' advice that it would be likely to approve the Delisting pursuant to Listing Rule 17.11, subject to compliance with the following conditions:

- The request for removal of FOR from the Official List is approved by a special resolution of ordinary Unitholders of FOR.
- The notice of meeting seeking Unitholder approval for FOR's removal from the official list must include the following information, in form and substance satisfactory to ASX:
  - a timetable of key dates, including the time and date at which FOR will be removed from ASX if that approval is given;

- a statement to the effect that the removal will take place no earlier than one month after approval is granted;
- a statement to the effect that if Unitholders wish to sell their securities on ASX, they will need to do so before the entity is removed from the official list; and if they do not, details of the processes that will exist after FOR is removed from the Official List to allow Unitholders to dispose of their unit holdings and how they can access those processes; and
- the information prescribed in section 2.11 of ASX Guidance Note 33.

FOR releases the full terms of this decision to the market upon making a formal application to ASX to remove FOR from the Official List.

Accordingly, in order for the Delisting to proceed, Unitholders must approve the Delisting by way of special resolution. As set out in the timetable in this announcement, the Responsible Entity proposes to hold a meeting of Unitholders (**Meeting**) to vote upon the Delisting on 13 May 2024.

The consequences for the Fund and its unitholders of being removed from the Official List will include the following:

- units in the Fund will no longer be publicly quoted or traded on the ASX, and Unitholders will only be able to sell the units in off-market private transactions requiring Unitholders to identify and agree the terms of sale. Transactions of this kind will be subject to the *Corporations Act 2001* (Cth) and the Fund's constitution;
- for Unitholders who would like to redeem their units after the Fund is delisted, liquidity will be generated by either using the Fund's cash balances or selling the Fund's assets to meet redemption requests;
- Unitholders will be able to realise or redeem their investments based on the NAV which is adjusted for a sell spread. In addition, a transitional exit fee will be applied for the first 6 months following the Delisting, starting at 6% and tailing down monthly to 1% (**Transition Fee**). After the 6 month period, no Transition Fee will apply to redemptions from the Fund. The Transition Fee will be charged by the Responsible Entity but will be retained in the assets of the Fund for the benefit of remaining Unitholders. The Responsible Entity proposes to have Unitholders approve the insertion of such fees into the Fund's constitution;
- the Fund will no longer be able to raise new capital on the ASX, including through the issuance of securities using limited disclosure fundraising documents;
- changes will be made to the Fund's constitution to amend the method for calculation of the performance fee with respect to the Fund; and
- the cap on ordinary expenses that have been paid by the Fund will increase from 0.1% to 0.2% per annum of Fund's NAV. Ordinary expenses incurred above this cap have been (and will continue to be) paid or reimbursed by the investment manager of the Fund.

Unitholders will be able to trade their securities on the ASX until the suspension date which is expected to occur prior to the Delisting as outlined in the Indicative Timetable below.

## Indicative Timetable

Event	Date
Announce Delisting to ASX	5 April 2024
Despatch of the Notice of Meeting and the Explanatory Memorandum to unitholders	10 April 2024
Record date (i.e. time and date for determining eligibility to vote at the Meeting)	11 May 2024 at 4pm (Sydney time)
Last time and date for receipt of proxy forms or powers of attorney by the Fund's registry, Automic Pty Limited	11 May 2024 at 4pm (Sydney time)
Meeting	13 May 2024 at 4pm (Sydney time)
Results of the Meeting announced	13 May 2024
<i>If unitholders approve the Delisting at the Meeting</i>	
Last day for trading in units in the Fund on the ASX	10 June 2024
Suspension Date (date on which the units are suspended from trading on the ASX)	10 June 2024 (after market close)
Delisting Date (date on which the units are removed from the Official List and the Fund commences operating as an open-ended, unlisted unit trust)	14 June 2024
Issue of product disclosure statement and target market determination for the Fund	14 June 2024

Please note that the proposal is subject to change including, but not limited to, changes in market conditions, amendments to, or changes in the interpretation of, the ASX Listing Rules and ASX policies. The ASX may vary or revoke its in-principle advice at any time.

No immediate action is required at this time as further details will be provided to the market in due course.

Yours faithfully,

### THE TRUST COMPANY (RE SERVICES) LIMITED

**Teresa Lee-Antonas**  
Senior Client Manager

**Josephine Petesic**  
Head of Client Management

Authorised for release by The Trust Company (RE Services) Limited as the Responsible Entity for Forager Australian Shares Fund