


# Forager Funds Management

Forager Australian Shares Fund Delisting Meeting  
13 May 2024

Level 11, 10 Carrington St

 @ForagerFunds

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# Important information

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## Disclaimer

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## Forward-looking statements

This presentation contains some forward-looking statements which reflect the expectations of Forager Funds Management about the future prospects of companies held within the portfolios of the funds. While Forager Funds Management considers its expectations to be based on reasonable grounds, there is no guarantee that those expectations will be met. Actual performance of the portfolio companies will be impacted by a variety of factors, including circumstances that cannot be foreseen, and could differ significantly from the expectations of Forager Funds Management. These statements should therefore not be relied upon as an accurate representation or prediction as to any future matters. Where portfolio companies do not perform in line with Forager Funds Management's expectations, the funds could be adversely impacted.

## General advice only

Forager Funds Management Pty Ltd (ABN 78 138 351 345, AFSL 459312) provides general information to help you understand our investment approach. Any financial advice we provide has not considered your personal circumstances and may not be suitable for you.

## Product Disclosure Statement

The Trust Company (RE Services) Limited (ABN 45 003 278 831 and AFSL No. 235150) is the Responsible Entity and the issuer of the Forager Australian Shares Fund (ARSN No. 139 641 491) and the Forager International Shares Fund (ARSN No. 161 843 778). Before deciding whether to acquire or continue to hold the product, you should read the relevant Product Disclosure Statement (PDS), any ASX notices, and seek advice from investment and taxation professionals to determine if the product is appropriate for your needs. The International Shares Fund Target Market Determination can be found at <https://documents.feprecisionplus.com/tmd/pct/tmd/jcse-fht0032au.pdf>. The Target Market Determination for the Forager Australian Shares Fund will be available from [www.foragerfunds.com](http://www.foragerfunds.com) when required by law. The relevant PDS can be accessed on the website (<https://foragerfunds.com/international-sharesfund-pds/> and <https://foragerfunds.com/australian-shares-fund-pds/>) or by calling +61 (2) 8320 0555.

## Performance

Past performance is not a reliable indicator of future performance. The Trust Company (RE Services) and Forager Funds Management do not guarantee investment performance or distributions, and the value of your investment may rise or fall. Total returns and estimated valuations have been calculated using the mid-point of unit prices, before taxation, after ongoing fees, and assuming reinvestment of distributions. We encourage you to think of investing as a long-term pursuit.

## Defined terms

Terms used in this presentation have the same meaning as those used in the Notice of Meeting and Explanatory Memorandum released to ASX on 5 April 2024. You should read both documents in their entirety.

- 1. Summary of and rationale for proposal**
2. Purpose of the meeting
3. Formal business
4. Next steps

# Summary of Proposal

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The Delisting involves the transition of the Fund from a listed investment trust to an open-ended unlisted unit trust.

If the resolutions are passed:

- The Fund will no longer be listed on the ASX and will become an open-ended unit trust
- Performance fee deficits will be amended to a percentage amount
- The recoverable expense fee cap will increase from 0.1% to 0.2% per annum of the Fund's net asset value
- A Transition Fee will apply to redemptions for the first six months after delisting

# Transition period

- There will be a Transition Fee on redemptions which has a sliding scale to 6 months post delisting
- The Transition Fee will be maintained as an asset of the Fund to benefit remaining Unitholders

<b>Time since the Units cease to be officially quoted on ASX</b>	<b>Transition Fee applied</b>
<i>Less than 1 month</i>	6%
<i>More than or equal to 1 month and less than 2 months</i>	5%
<i>More than or equal to 2 months and less than 3 months</i>	4%
<i>More than or equal to 3 months and less than 4 months</i>	3%
<i>More than or equal to 4 months and less than 5 months</i>	2%
<i>More than or equal to 5 months and less than 6 months</i>	1%
<i>More than or equal to 6 months</i>	0%



# Rationale for proposal

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- Low levels of liquidity in the Units on ASX
- Persistent discount of the market price to the Net Asset Value (NAV)
- Fund better placed to manage liquidity aspects of an open-ended fund

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# Summary of proposal

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For the Delisting proposal to become effective, two resolutions must be approved by Unitholders:

- **Resolution 1** seeks Unitholder approval via a special resolution for the Delisting;
- **Resolution 2** seeks Unitholder approval via a special resolution for amendments to the Constitution.

Resolutions 1 and 2 are inter-conditional and as such, neither Resolution will take effect unless both Resolutions are passed by the requisite majority.

Both Resolution 1 and 2 require 75% or more of votes cast by Unitholders (entitled to vote and present at the Meeting in person or by proxy) that vote in favour or “For” the Resolution.



# Transition Identification Form

In order to comply with AML/CTF legislation, **Unitholders who intend to remain invested in the Fund after de-listing must complete a Transition Identification Form** to before they can:

1. apply for new Units,
2. redeem existing Units, or
3. participate in the distribution reinvestment plan after the Fund is Delisted.

Certain Unitholders **may be exempt** from completing the Transition Identification Form:

- Unitholders who invest via a broker platform are not expected to need to complete the Transition Identification Form. Rather their broker platform entity will be expected to complete the form;
- Unitholders who are indirect investors and have invested via an IDPS platform are not expected to need to complete the Transition Identification Form. Rather the IDPS platforms and custodians will be expected to complete the form as per the requirements of AML/CTF Rules Part 4.4 18-19; and
- Unitholders who are also investors in the Forager International Shares Fund (FISF) and (1) have already supplied the AML/CTF information in relation to their FISF holding; AND (2) both the registered name and address of their FISF holding matches the registered name and address in which their units in the Fund are held, will be exempt.

The Transition Identification Form will be available on the Registry's website. A link will be emailed to non-exempt Unitholders shortly after the Fund's removal from the Official List of the ASX on Friday 14 June 2024. For those Unitholders who cannot be contacted by email, the information will be sent to them by post.

# Agenda

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# Resolution 1: Delisting of the Fund

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Conditional on Resolution 2 being passed by Unitholders by way of special resolution, to consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, conditional on Resolution 2 being passed, for the purposes of Listing Rule 17.11, and for all other purposes, Unitholders approve the Fund’s removal from the Official List of the ASX on a date to be decided by ASX (being a date no earlier than one month after the date this resolution is passed), and that the directors of the Responsible Entity be authorised to do all things reasonably necessary to give effect to the delisting of the Fund from the ASX.”*

Resolution 1 is a special resolution. This means that Resolution 1 will be passed if more than 75% of the votes cast by Unitholders of the Fund entitled to vote on Resolution 1 and present at the Meeting (either in person or by proxy) are cast in favour of Resolution 1.

# Resolution 2: Amendments to the Constitution

Conditional on Resolution 1 being passed by Unitholders by way of special resolution, to consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, conditional on Resolution 1 being passed and for all other purposes, Unitholders approve that the constitution of the Forager Australian Shares Fund (**Constitution**) be amended as follows:*

*(a) Inserting a new definition of ‘Transition Fee’ in clause 26.1 of the Constitution as follows:*

**Transition Fee** means the following percentages applied to the net asset value per unit on the redemption dates:

<b>Time since the Units cease to be officially quoted on ASX</b>	<b>Transition Fee applied</b>
<i>Less than 1 month</i>	6%
<i>More than or equal to 1 month and less than 2 months</i>	5%
<i>More than or equal to 2 months and less than 3 months</i>	4%
<i>More than or equal to 3 months and less than 4 months</i>	3%
<i>More than or equal to 4 months and less than 5 months</i>	2%
<i>More than or equal to 5 months and less than 6 months</i>	1%
<i>More than or equal to 6 months</i>	0%

# Resolution 2 continued

(b) *Inserting new subclauses in clause 15 as follows:*

***“Transition Fee***

***15.12*** *If at any time the units cease to be officially quoted, investors must pay the manager the applicable Transition Fee in respect of each unit the investor redeems at any point during the 6 months from which the units cease to be officially quoted and the investors agree that the applicable Transition Fee is deducted from the redemption proceeds.*

***15.13*** *The manager is not entitled to retain the Transition Fee, but rather, the Transition Fee becomes and on receipt forms and will be part of the assets of the trust and retained for the benefit of the existing investors.”*

(c) *Deletion of clause 15.3 and Schedule 1 of the Constitution in respect of the Performance Fee;*

(d) *Making any consequential amendments to clause numberings as a result of the above constitutional amendments (a) – (c)*

# Voting exclusions

The Responsible Entity will disregard any votes cast by a person who is not entitled to vote because of section 253E of the Corporations Act.

This section provides that the Responsible Entity and its associates are not entitled to vote their interest on a resolution at a meeting of the Unitholders if they have an interest in the resolution or matter other than as a member.

However, this does not apply to a vote cast in favour of a resolution by:

- a. a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution as the Chairperson decides; or
- b. the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  1. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
  2. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

# Proxy voting

Total valid votes	For	Open	Against	Abstain
Resolution 1	43,058,205 93.77%	2,078,746 4.53%	783,004 1.71%	81,870
Resolution 2	41,620,809 92.39%	2,512,324 5.58%	917,095 2.04%	951,597

Report generated by Unit Registry on 12 May 2024 at 12:21pm



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# Next steps

The results of the meeting will be announced to the ASX shortly following the meeting's conclusion.

If the Delisting Proposal is approved by the Unitholders, the following key dates will apply:

Event	Date
Last day for trading in Units in the Fund on the ASX	11 June 2024
Suspension Date (date on which the Units are suspended from trading on the ASX)	11 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 as an open-ended, unlisted unit trust	14 June 2024



# Questions

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