

Forager Australian Shares Fund Additional disclosures on the terms of the Investment Management Agreement

14 December 2016

This document provides additional disclosures on the terms of investment management agreement (**IMA**) for the Forager Australian Shares Fund ARSN 139 641 491 (**Fund**) dated 14 October 2016, as amended from time to time, entered into between The Trust Company (RE Services) Limited (ACN 003 278 831) (**Responsible Entity**) and Forager Funds Management Pty Ltd (ACN 008 624 691) (**Manager**). This document must be read in conjunction with the product disclosure statement for the Fund dated 2 December 2016.

1. Under the IMA:
 - a. there are no specific provisions which preclude the Responsible Entity from appointing another person to provide the services being provided by the Manager in relation to the Fund;
 - b. the Manager does not have any right to be issued units of the Fund whether in satisfaction of the amounts due under the IMA or otherwise;
 - c. there are no provisions that allow the consideration to be paid or provided to the Manager to be reviewed or varied over the term of the IMA;
 - d. there are no provisions that are triggered by a change of control of the Responsible Entity;
 - e. the Manager does not have any option, pre-emptive right, right of first refusal or other right to acquire any of the Fund's assets.
2. The Manager is the investment manager for two Australian equities funds; the Fund and the smaller Forager Wholesale Value Fund (**FWVF**). Both have an almost identical investment process, operate in the same stock universe but exist side by side for historical reasons. Each fund has a different external responsible entity, providing independent oversight and monitoring. Each responsible entity has totally separate outsourced accounting and operations support model, different third party asset custodians and an active compliance model. The Manager also has policies and procedures in place to ensure it fulfils its obligations to the Responsible Entity under the IMA, including keeping proper records and accounts for the Fund and maintaining the confidentiality of information acquire by the Manager. There is no client visibility with FWVF to the Manager, as FWVF is largely offered to platforms, and so therefore there is no possibility of client data co-mingling between the two funds. The Manager has an internal process for documenting trades between funds but is in the process of instigating an independent trade matching capability for all the funds it is investment manager, including the Fund and FWVF, which will also provide an enhanced audit trail for every trade allocation between each of the funds.