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The Manager,  
ASX Market Announcements  
Australian Securities Exchange  
Exchange Centre  
Level 4, 20 Bridge Street  
Sydney NSW 2000

**By Electronic Lodgement**

### **Ironbark Capital Limited Review of Investment Management Agreement**

The Board of Ironbark Capital Limited (Ironbark) have now completed a review of the Investment Management Agreement which was last undertaken almost 10 years ago. As part of this review, we have reaffirmed the continued importance of protecting shareholders' capital through a low volatility investment portfolio. The table below highlights that Ironbark has a very strong performance track record over all periods of the last 20 years both in terms of absolute returns and relative to the benchmark.

<i>PERFORMANCE TO 30/09/23</i>	<b>Inception 20.8yrs % pa</b>	<b>10 Yr % pa</b>	<b>5 Yr % pa</b>	<b>3 Yr % pa</b>	<b>2 Yr % pa</b>	<b>1 Yr % pa</b>	<b>Sept Qtr %</b>
<b>FUM \$59.96m</b>							
<b>IBC pre fees plus franking</b>	<b>8.94</b>	<b>7.37</b>	<b>8.18</b>	<b>10.54</b>	<b>7.76</b>	<b>11.99</b>	<b>1.14</b>
<b>1 yr swap +6%</b>	<u>9.48</u>	<u>7.82</u>	<u>7.54</u>	<u>7.95</u>	<u>8.92</u>	<u>10.02</u>	<u>2.60</u>
<b>Relative performance</b>	-0.54	-0.45	0.64	2.59	-1.16	1.97	-1.46
<b>volatility IBC</b>	<b>7.2</b>	<b>7.6</b>	<b>9.6</b>	<b>6.2</b>	<b>7.1</b>	<b>5.6</b>	<b>5.8</b>
<b>volatility ASX300</b>	<b>13.7</b>	<b>13.9</b>	<b>16.6</b>	<b>13.8</b>	<b>15.0</b>	<b>12.8</b>	<b>14.0</b>
<b>*ASX 300 Accum</b>	<b>8.67</b>	<b>7.40</b>	<b>6.62</b>	<b>10.78</b>	<b>1.93</b>	<b>12.92</b>	<b>-0.84</b>
<b>Vol relative to ASX</b>	53%	55%	58%	45%	47%	44%	41%

\*ASX 300 Accumulation Index excludes franking credits

The purpose of the review by the Board is to ensure the Investment Manager remains focussed and is appropriately rewarded for their good performance. Over the decade the investment management fee has halved from \$600,000 to \$249,000. This is primarily due to the reduction in the number of shares on issue from 155.715 mill to 109.512 mill due to a series of share buybacks by Ironbark to assist liquidity to shareholders. This significantly reduced the FUM and the investment manager fees and hence the feasibility of providing this service.

In the same period the Investment Manager only received a performance fee in one year of \$733,000, due to the high performance hurdle of the one-year swap plus 6% notwithstanding strong performance over the entire period.

The Investment Manager, Kaplan Funds Management Pty Limited (KFM) has indicated that they would be prepared to trade the existing performance fee for a lift in the management fee. A fee increase from 0.4% p.a. to 0.6% p.a. with no performance fee is considered reasonable and is considered very competitive in relation to other Listed Investment Companies. Historically, Ironbark's management fee has been higher at 0.65% p.a. with a performance fee.

The ASX Guidance Note 26 strongly encourages security holder approval for any material increase in fees, however, the entity has undertaken to amend the fees without seeking shareholder approval due to the trade-off with no performance fee.

In this regard, the Board's Independent Directors have resolved that effective 1 January 2024 the management fee will increase from 0.4% p.a. to 0.6% p.a. with no performance fee. On the basis of last financial year this would represent a lift in fees paid by Ironbark of approximately \$125,000.

Jill Brewster

Company Secretary

Authorised for release to ASX by the Board of Ironbark Capital Limited