



MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

20 January 2021

Dear Investor

Important information: Wind-up of the Maple-Brown Abbott Australian Geared Equity Fund

We have recently completed a review of the Maple-Brown Abbott Australian Geared Equity Fund (ARSN 098 112 193) (**Geared Equity Fund**). Due to the small size of the Geared Equity Fund, we do not consider it viable to continue to maintain an efficient loan facility for gearing, so we have decided it is in the best interests of investors to change the investment strategy of the fund so that it invests directly in the Maple-Brown Abbott Australian Share Fund (**Australian Share Fund**) and then take steps to wind-up the Geared Equity Fund, including transferring units in the Australian Share Fund to investors in the Geared Equity Fund.

As an investor in the Geared Equity Fund, you have the option to redeem your investment, otherwise your investment will be effectively transferred to the wholesale class of the Australian Share Fund and you will become an investor in the Australian Share Fund.

Information about the Australian Share Fund

The Australian Share Fund and the Geared Equity Fund have the same investment objective and are managed by the same team of highly experienced Maple-Brown Abbott investment professionals.

The key differences between the funds are:

1. the Australian Share Fund does not provide a geared exposure to the underlying investments; and
2. reflecting this, the relevant management fee for your investment in the Australian Share Fund will be lower than the Geared Equity Fund, at 0.80% p.a. compared to the stated 1.03% p.a. to 2.05% p.a. for the Geared Equity Fund (dependent on which class you are invested).

A summary of significant information about the Australian Share Fund is described in the Product Disclosure Statement (dated 1 July 2019 as updated in December 2020 on our website) and the Additional Information Booklet (dated 1 November 2019) and is available at www.maple-brownabbott.com.au/australian-share-fund-wholesale.

Summary of the transfer process

We will be commencing the changes on 22 February 2021 and expect the transfer to be completed by 26 February 2021.

Changes to the Geared Equity Fund disclosures

Effective 22 February 2021, the investment strategy, investment guidelines and asset allocation for the Geared Equity Fund will be changed to (i) allow the Geared Equity Fund to pay back its loan (including the removal of 'gearing' from the investment guidelines), and (ii) implement its investment strategy by investing in the Australian Share Fund. From this date, the investment description for the Geared Equity Fund will be:

"The Fund is an actively managed fund that invests in Australian-listed equities, including REITs. We may also invest in unlisted equities provided that they are expected to be listed within 3 months from the date of investment. The Fund typically holds at least 30 stocks."

Implementation of the changes

From 22 February 2021, sufficient investments of the Geared Equity Fund will be sold to raise cash in order to pay back its loan. Consequently, the Geared Equity Fund's gearing will be reduced to zero and its cash allocation is expected to be above the disclosed limits through this period.

Once the loan has been paid back, the remaining assets of the Geared Equity Fund will be exchanged for wholesale units in the Australian Share Fund. Once this exchange is completed, the Geared Equity Fund will be wound-up and its assets will be transferred to its investors in proportion to the units they hold, in satisfaction of a cash payment on wind-up.

What this means for you

If you are an investor in the Geared Equity Fund on 22 February 2021, the effect of this process is that on wind-up of the Geared Equity Fund, you will receive units in the wholesale class of the Australian Share Fund and become an investor in the Australian Share Fund. We expect this to occur on or around 26 February 2021. Given the fee difference between the two funds and this process, we will not charge a management fee on the Geared Equity Fund from 22 February 2021.

Do you need to do anything?

If you wish for your investment in the Geared Equity Fund to be transferred to an investment in the Australian Share Fund, you do not need to do anything.

If you do not wish for your investment to be transferred, you can redeem from the Geared Equity Fund. To do this we need to receive by 2pm Sydney time on 19 February 2021 a valid withdrawal request.

The Redemption request form is available at www.maple-brownabbott.com.au/australian-geared-equity-fund-retail in the "Forms & fund information" section under "Forms".

If we receive valid documentation after 2pm Sydney time on 19 February 2021 or you wish to redeem after this date, you will need to follow the instructions for a redemption from the Australian Share Fund, and your redemption will be processed once your investment has been transferred.

Australian income tax implications

We recommend that investors seek their own professional advice in relation to the Australian taxation implications of the changes to the Geared Equity Fund and options available to you. Under either option, the changes in the Geared Equity Fund would generally result in a disposal of units in the Geared Equity Fund by you for income tax purposes.

The following general comments apply if your units in the Geared Equity Fund are effectively transferred to the Australian Share Fund and you currently hold your units on capital account:

1. the capital proceeds for the purposes of determining any capital gain or loss arising from the redemption should be determined from the market value of the units in the Australian Share Fund received;
2. the cost base of the units received in the Australian Share Fund should be determined from the market value of the units in the Geared Equity Fund that were redeemed (it would be expected that this would be the same amount as from 1); and
3. a CGT discount may be available to investors in calculating the taxable amount of any net capital gain to be included in assessable income where the units have been held for twelve months or more (excluding the acquisition date and disposal date).

Any questions?

If you have any questions, please contact our Client Service team at mba@unitregistry.com.au or call **1300 097 995** (or +61 3 9616 8614 from overseas).

We apologise for any inconvenience caused by these changes and thank you for your ongoing support and investment with Maple-Brown Abbott.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized, cursive script that begins with a large, circular flourish and ends with a long, horizontal tail stroke.

Sophia Rahmani

CEO and Managing Director
Maple-Brown Abbott Limited