

5 September 2022

## NOTICE OF INVESTMENT MANAGER CHANGE

# Ironbark Karara Australian Small Companies Fund

ARSN 114 291 486 APIR PAT0002AU

Dear Investor,

Ironbark Asset Management (Fund Services) Limited ('we' or 'Ironbark') as the responsible entity of the Ironbark Karara Australian Small Companies Fund (the 'Fund') is changing the investment manager of the Fund and appointing Renaissance Smaller Companies Pty Ltd ('Renaissance').

APIR	Current Manager	Current Fund Name	New Manager	New Fund Name
PAT0002AU	Karara Capital Pty Ltd	Ironbark Karara Australian Small Companies Fund	Renaissance Smaller Companies Pty Ltd	Ironbark Renaissance Australian Small Companies Fund

### Manager replacement

The current investment manager of the Fund, Karara Capital Pty Ltd ('Karara') have advised us that the senior members of the investment team have made the decision to retire and/or pursue other opportunities. As such, Karara will cease managing funds for external clients.

Accordingly, Karara and Ironbark jointly advise investors that after a 12 year mutually beneficial association, Karara will cease managing the Fund on 5 September 2022 with a transition manager having been appointed to assist the transition of the portfolio.

Ironbark initiated a search for a replacement investment manager and following an extensive due diligence process, we selected Renaissance as the new investment manager of the Fund, effective from 5 September 2022.

Founded in 2003, Renaissance is a boutique investment management firm based in Sydney. The firm's founders have over 50 years of combined experience investing in Australian small companies, with their established strategy previously only available to institutional investors.

Renaissance is an active investment manager who adopts a fundamental, bottom up investment approach that seeks to exploit market inefficiencies. Renaissance's long-only strategy invests in listed Australian small companies and aims to maintain a balance between risk and reward to improve the consistency of investment returns over the medium to long term.

During the period of Karara's management, from 1 May 2010 through to 30 June 2022, the Fund returned 6.06% p.a. (net of all fees) against the benchmark, the S&P/ASX Small Ordinaries Accumulation Index's return of 3.29% p.a. Over the same period, Renaissance's strategy generated an average annualised return of 5.44% p.a. (net of all fees).

For the latest performance information for the Fund please refer to our website at [www.ironbarkam.com](http://www.ironbarkam.com).

Renaissance:

- **Has a stable investment team with extensive experience investing in Australian small companies,**
- **Employ a robust and consistent investment process with a strong focus on company valuations and quality balance sheets,**
- **Employ a successful strategy that has a 19+ year track record and a well-established footprint in the institutional market.**

There will be **no material change** to the following features of the Fund:

- Investment objective and strategy
- Management Fee and Expense Recovery Fee, to remain as 1.1275% p.a. and 0.0700% p.a., respectively
- Performance Fee, to remain as 15% of the excess investment return (net of all fees, including performance fees), provided specified conditions are met
- Distribution frequency will continue to be semi-annual (if any)
- Buy/sell spread, to remain as +/- 0.20%

A new Product Disclosure Statement ('PDS'), Target Market Determination ('TMD') and Application Form for the Fund will be issued on or around 5 September 2022 and will be made available on the Ironbark website, [www.ironbarkam.com/our-funds](http://www.ironbarkam.com/our-funds).

### What action do you need to take?

We suggest you discuss the changes to the Fund with your financial adviser. If the Fund remains suitable to your investment strategy you can retain your holding in the Fund and take no action.

If you find the changes to the Fund no longer suit your investment needs, you can make a full withdrawal from the Fund by completing a withdrawal form, which is available under 'Additional Forms' on the Fund's page on our website at [www.ironbarkam.com/our-funds](http://www.ironbarkam.com/our-funds).

If you have any questions in respect to the information above, please contact Ironbark on 1800 034 402 or by email at: [Client.Services@ironbarkam.com](mailto:Client.Services@ironbarkam.com).

We are delighted to be partnering with Renaissance and we greatly appreciate your support.

Yours faithfully,

Ironbark Asset Management (Fund Services) Limited

This information is current as at the date of this document and provided as a guideline only, it may be subject to change. No recommendation or advice has been given as to whether any investment or strategy may be suitable for you.

Issued by Ironbark Asset Management (Fund Services) Limited ABN 63 116 232 154 AFSL 298626 ('Ironbark'). Ironbark is the responsible entity for the Fund(s) referred to in this document. The relevant target market determination (TMD) and offer document for the Fund(s) is available from [www.ironbarkam.com/our-funds/](http://www.ironbarkam.com/our-funds/) or by calling Ironbark on 1800 034 402. This document contains general information only and is not intended to represent specific investment or professional advice. The information does not take into account an individual's personal financial circumstances, objectives or needs. Before making an investment decision, you should consider obtaining professional investment advice that takes into account your personal circumstances and should read the current TMD and offer document before making an investment decision to acquire or to continue to hold units in the Fund. Ironbark and its representatives believe that the information in this document is correct at the time of compilation, but no warranty of accuracy or reliability is given and no responsibility arising in any other way for errors or omissions (including responsibility to any person due to negligence) is accepted by Ironbark. To the extent permitted by law, Ironbark, its employees, consultants, advisers, officers and representatives are not liable for any loss or damage arising as a result of reliance placed on the contents of this document. While any forecasts, estimates and opinions in this material are made on a reasonable basis, actual future results and operations may differ materially from the forecasts, estimates and opinions set out in this material. No guarantee as to the repayment of capital or the performance of any product or rate of return referred to in this material is made by Ironbark. Past performance is not a reliable indicator of future performance. All currency references are shown in Australian dollars unless stated otherwise. All indices are copyrighted by and proprietary to the issuer of the index. Any investment is subject to investment risk, including delays on the payment of withdrawal proceeds and the loss of income or the principal invested. This document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. No part of this material may be reproduced or distributed in any manner without the prior written permission of Ironbark.