

26 February 2019

Dear Investor

Notice of Termination – Bennelong Avoca Emerging Leaders Fund (ARSN 149 609 781)

We are contacting you because you hold units in the Bennelong Avoca Emerging Leaders Fund (ARSN 149 609 781) (**Fund**) and we wish to advise you that we have decided to terminate the Fund.

Why we are closing the Fund

Under section 601NC of the *Corporations Act 2001* (Cth) (**Corporations Act**), the responsible entity of a registered scheme may take steps to wind up the scheme if it considers that the purpose of the scheme cannot be accomplished.

The Fund was established on 1 July 2011 for the purpose of creating long term returns for investors by investing in 20 to 35 small and mid-cap stocks listed on the Australian Stock Exchange that presented significant growth opportunities.

After consultation with the Fund's investment manager Avoca Investment Management Pty Ltd (**Avoca**) and our own analysis of the Fund, we are of the view that the Fund's purpose can no longer be accomplished. Avoca believes low interest rates have distorted many valuations since the GFC, and in this environment a fund which focuses on intrinsic value has been unable to achieve its investment objectives in the market's required timeframe.

What the closure of the Fund means for you

Before the winding up commences, we may pay a special distribution of income to ensure that all of the Fund's income is passed on to members.

Once the winding up commences, we will begin to realise the assets of the Fund and calculate the Fund's liabilities.

After the assets have been realised and liabilities permitted by the Fund's constitution have been deducted, we will distribute the balance of the Fund's assets to you. **This will equate to the full number of units you currently hold in the Fund.**

To ensure there is no unnecessary delay in receipt of your distribution/s from the Fund and statements, please ensure that the contact and bank account details we have on file for you are accurate and up to date. If any of these details need to be amended, please complete a Change of Details form which can be found at bennelongfunds.com/forms.

Note that as a result of our decision to close the Fund, we are no longer accepting any applications, additional contributions to acquire units in the Fund, or withdrawal requests.

Members' right to call a meeting

Under section 601NB of the Corporations Act, if members of the Fund do not want the Fund to be wound up, they may take action under Division 1 of Part 2G.4 for the calling of a members' meeting to consider and vote on an extraordinary resolution directing us as responsible entity to not wind up the Fund.

When we will start winding up the Fund (Termination Date)

If no meeting of members of the Fund is called within 28 days of the date of this notice, we will commence winding up the Fund on 27 March 2019 in accordance with section 601NC(3) of the Corporations Act.

Any meeting of members will be called and conducted in accordance with the requirements of the Corporations Act and, if a meeting is held, we will commence winding up the Fund once the meeting has concluded, unless the outcome of the meeting prevents us from doing so.

If you have any questions about the closure of the Fund, you can call us during business hours on 1800 895 388 or email client.services@bennelongfunds.com.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Jeff Phillips', with a stylized, cursive script.

Jeff Phillips
Chief Financial Officer
Bennelong Funds Management Ltd as Responsible Entity of the Bennelong Avoca Emerging Leaders Fund (ARSN 149 609 781)