

EAIT Direct Investments Fund
ARSN 137 969 542

One Managed Investment Funds Limited
as Responsible Entity

Notice of Proposal to Wind up the Fund

This notice is issued by One Managed Investment Funds Limited ABN 47 117 400 987; AFSL 297042 (**OMIFL** or **Responsible Entity**) as responsible entity of the *EAIT Direct Investments Fund* ARSN 137 969 542 (**Fund** or **EDIF**).

If you do not understand this document or are in doubt about the action to be taken by you, you should consult your financial adviser, lawyer, accountant or other professional adviser immediately.

The purpose of the notice is to advise unit holders that the Responsible Entity proposes to wind up the Fund under section 601NC (1) of the *Corporations Act 2001* and to advise unit holders of their rights.

Explanatory Note

This Explanatory Note has been prepared:

- to explain to unit holders why the Responsible Entity proposes to wind up the Fund; and
- to advise unit holders of their right to take action under Division 1 of Part 2G.4 of the *Corporations Act 2001*:
 - to call a members' meeting to consider the proposed winding up of the Fund; and
 - to vote on any extraordinary resolution unit holders propose about the winding up of the Fund.

Background

The Fund is an unlisted registered managed investment scheme. The Fund was established in 2009 by the separation of the Direct Investments Portfolio of the then *Everest Alternative Investments Trust (EAIT)* from the absolute return funds portfolio and the *in specie* distribution of issue of units in the Fund to unit holders in EAIT. The process of separation was explained in the Information Booklet issued in July 2009. As unit holders are aware:



- the assets of the Fund consist of cash and units in the unregistered scheme, *EDIF Sub Trust (EDIF ST)*. EDIF holds all of the units in EDIF ST;
- EDIF ST holds cash and units in the *Everest Babcock and Brown Income Fund ARSN 128 309 295 (EBBIF)* which held the direct investments portfolio assets;
- EBBIF has terminated and since the termination and restructure the responsible entity has been actively seeking to realise the assets and distribute the proceeds.

Litigation to which EBBIF was a party has now been settled and all of the assets of EBBIF comprise cash. Public notice has been given by OMIFL, as the responsible entity of EBBIF, of the intention to distribute the cash to the unit holders after meeting any outstanding claims and expenses. Once the distribution is received by EDIF ST, it is anticipated that EDIF will seek to redeem all of its units in EDIF ST for cash, which will then be available for distribution to the unit holders.

The accomplishment of the purpose of the Fund – Proposal to wind up the Fund

In light of the above circumstances, OMIFL, as the responsible entity of EDIF, considers that the purpose for which the Fund was established has been accomplished and that the Fund should be wound up. OMIFL considers that the winding up of the Fund is in the interest of the unit holders. In reaching this decision the Responsible Entity has taken into account factors such as:

- it was expressly stated in the Information Booklet that “Once all of the Direct Investments have been distributed, EDIF, as a trust, would be wound up”;
- for all intents and purposes the Fund is and has always been a ‘dormant’ fund. While permitting transfers, it has never been open to new investors and no withdrawals have been available;
- the anticipated receipt of the proceeds of realisation of all of the assets of the Fund;
- if the Fund were to continue, no further income would be derived other than interest on cash while the expenses would continue, including the fees payable to the Responsible Entity and external service providers, such as the auditor.

The effect of the Fund being terminated and wound up

In accordance with the general law, on the termination of the Fund, OMIFL has the duty to convert all of the assets into cash, pay the liabilities of the Fund and then pay any excess to the unit holders in accordance with their respective entitlements. At the end of the winding up process final audited accounts will be prepared and lodged with ASIC.

As far as the liabilities of the Fund are concerned, these fall into a number of categories:

- Expenses will also be incurred relating to communications with unit holders, reporting and meeting costs if a meeting is called.
- All other costs and expenses incurred in relation to the termination and winding up of the Fund as well as any other expenses incurred will be borne by the Fund assets.



At this stage it is not possible to estimate either the amount of cash available for distribution or the amount of fees and expenses that will be incurred. It follows that OMIFL is not in a position to advise unit holders as to the amount that may be available for distribution to them at the end of the winding up process.

OMIFL may consider an interim distribution to unit holders prior to the final distribution.

Your rights as a unit holder

In light of the above circumstances, the relevant provisions of both the Constitution and the *Corporations Act 2001* set out what follows from the determination of the directors of the Responsible Entity that the Fund should be terminated on the ground that the purpose of the Fund has been accomplished.

In summary these are that:

- Unit holders have the right to call a meeting of members of the Fund:
 - to consider the proposed winding up of the Fund; and
 - to vote on any extraordinary resolution members propose about the winding up of the Fund.
- Unit holders should also be aware that the Responsible Entity is permitted to wind up the Fund unless a meeting is called to consider the proposed winding up of the Fund within 28 days of this notice. An extraordinary resolution is one that is passed by at least 50% of the total votes that may be cast by members entitled to vote on the resolution (including members who are not present in person or by proxy).

What actions are you required or able to take?

There are two actions available to you:

- **Do nothing**

If you agree with the Responsible Entity's proposal to wind up the Fund and you do not wish to call for a meeting of unit holders you need take no further action.

- **Call a meeting**

If you wish to call for a meeting of unit holders you should complete the attached Request for a meeting of unit holders and return the form to the Responsible Entity at the address given on the form not later than 5 pm (Sydney local time) on 11 April 2016. In order for such a meeting to proceed, unit holders representing at least 5% of the votes that may be cast on the resolution or at least 100 unit holders must request a meeting. In the absence of sufficient requests from unit holders then OMIFL is entitled to wind up the Fund following 28 days from the date of the giving of this notice.



If you have any questions concerning this notice please contact Mr. Frank Tearle on 02 8277 0020.

Yours sincerely

One Managed Investment Funds Limited
as Responsible Entity of the *EAIT Direct Investments Fund*

A handwritten signature in black ink that reads 'Frank Tearle'. The signature is written in a cursive, flowing style.

Frank Tearle – Executive Director

Dated: 9 March 2016



NOTE: If you agree with the proposal that the Fund be wound up you need not send this request.

**Request for a meeting of unit holders of
EAIT Direct Investments Fund**

I/We being a unit holder(s) in the *EAIT Direct Investments Fund* ARSN 137 969 542 (Fund) request that One Managed Investment Funds Limited call a meeting of unit holders:

- (1) to consider the proposed winding up of the Fund
- (2) to vote on the following *Resolution(s):

Investment Profile ID.....

Name of Unit holder(s)

.....

Signature of Unit holder(s)

.....

Date

* If, in addition to requesting the consideration of the proposal that the Fund be wound up, you also wish the meeting to consider and vote on other resolutions, please set out the terms of the resolution(s).

You should complete and return this form to:

One Managed Investment Funds Limited
PO Box R1471,
Royal Exchange NSW 1225

Or by email to: everest@oneregistryservices.com.au

no later than 5 pm (Sydney local time) on 11 April 2016.