

Date: 2 April 2024

**RE: Notice to Members**

Given a number of recent developments, the board of Keystone Asset Management Limited (**Keystone**) wishes to provide this update to members in relation to each of the classes of the Shield Master Fund (**Fund**).

During the latter half of 2023, the board of Keystone recognised the need to initiate a review of the governance, operational and structural framework underpinning the Fund.

The below summarises key changes which have already been implemented as a result of this review as well as the general status of the review and other work being conducted by Keystone. The board of Keystone believes these changes are in the best interests of members and will enable the Fund to better fulfil expectations of all stakeholders as it engages in its next phase of growth.

***CEO appointment***

The directors of Keystone are very pleased to announce that Simon Milne has been appointed to act as CEO of the Fund and will commence on a full-time basis on 15 April 2024. Simon brings 30 years experience in the funds management sector to the fund and has already impressed the board with his vision for the Fund's future.

In his role as CEO, Simon will oversee the day-to-day operations of the Fund as well as adding his expertise to the Fund's investment strategy. Simon, with the support of the board, has also taken steps to recruit additional executives and personnel to add to Keystone's management team.

The board considers that these additional executives and personnel will enable Keystone to more effectively manage the Fund.

***Expansion of Board***

The Keystone board has also recently appointed two new non-executive directors, Brett Spork and Maadhvi Patel.

Both Brett and Maadhvi bring with them broad experience in the funds management sector and join Paul Chiodo, Mark Yorston and Louie Kortesis as directors of Keystone. Ilya Frolov resigned from the board in late December 2023.

The directors are aiming to appoint at least one further independent, non-executive director to the board in the near future.

### ***Review of underlying fund arrangements***

The board has also engaged top tier legal, accounting and corporate advisers to review the underlying arrangements of the Fund, its governance and its investments, including as they concern conflict management and related party arrangements with Chiodo Corporation Pty Ltd and other entities related to Paul Chiodo. This work is expected to be finalised in the coming weeks.

Keystone has already commenced implementing the recommendations of its advisers in respect of the Fund's governance and underlying arrangements and investments and will continue to progress the work of reviewing and appropriately implementing the recommendations of its advisers for the benefit of all members.

### ***ASIC engagement & new PDS***

As you may know, on 5 February 2024 ASIC issued an interim stop order (**ISO**) in respect of all classes of the Fund. The stop order required Keystone to halt new offers in the Fund. Given the terms of the stop order, Keystone also considered it appropriate to halt redemptions from the Fund at that time. Keystone notes that ASIC did not provide Keystone with its view that the stop order does not extend to prohibiting redemptions from the Fund until immediately prior to Easter.

As part of the ISO process, ASIC had identified a number of concerns in relation to the Fund's product disclosure statements (**PDSs**) which were detailed in a public announcement made by ASIC on 7 February 2024.

The work which has been undertaken in respect to the drafting of new PDSs for each of the classes of the Fund seeks to make changes which address each of ASIC's concerns.

It goes without saying that the board has been at pains to work cooperatively with ASIC whilst the above works have been undertaken. Keystone will also work cooperatively with ASIC prior to release of the new PDSs in the coming weeks to ensure that all of its concerns have been addressed appropriately and there is no further interruption to the Fund's fundraising and redemption operations once the new PDSs are issued.

### ***Interim arrangements***

Until the advisers review of the Fund's arrangements is concluded, its key recommendations implemented and the revised PDSs finalised and issued, the board of Keystone has determined to voluntarily cease any further offers of units in all classes of the Fund. It has provided ASIC notice of this determination in accordance with its statutory obligations.

Keystone also considers it appropriate and in the best interests of members to exercise its powers under the Fund's constitution to continue its suspension of redemptions in the short term until its programme of work with advisers is substantially complete and members are able to be fully informed of the Fund's status via the new PDSs.

As noted above, the adviser review and PDS refresh processes are very well advanced. Keystone therefore expects to be able to provide members with an update as to the timing for the recommencement of offers and redemptions for each class of the Fund in the near future.

In the meantime, Keystone is able to advise that all underlying investments and projects of the Fund are continuing to progress. The board is also hopeful of being in a position in the near future to announce material developments in respect of certain of the Fund's investments and projects which it believes will be very warmly received by all members.

Your Faithfully

A handwritten signature in black ink, appearing to be 'M Yorston', written in a cursive style.

Mark Yorston  
Director  
Keystone Asset Management Limited

A handwritten signature in black ink, 'Paul Chiodo', written in a cursive style.

Paul Chiodo  
Director  
Keystone Asset Management Limited