

10 May 2024



162845/A07/000001 BR-ACT



Dear ,

Significant Event Notice

This important notice is issued by Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757 as trustee for NQ Super and Pension, part of AMG Super ABN 30 099 320 583 (we, our, us).

We refer to our previous communication about your chosen investment in the Shield Master Fund ARSN 650 112 057. The Shield Master Fund is a registered managed fund promoted by Keystone Asset Management Ltd ABN 58 612 443 008 AFSL 491477 (Keystone).

Investments in the Balanced class, Growth class, High Growth class and Conservative class units in the Shield Master Fund were, up until 10 January 2024, accessible to members of NQ Super and Pension.

On or around 7 February 2024 we became aware that the Australian Securities & Investments Commission (ASIC) had initiated regulatory action in relation to the Shield Master Fund.

According to ASIC, it issued interim stop orders preventing the offer, sale or transfer of interests in these units from 7 February 2024 because of concerns about the adequacy or accuracy of disclosures contained in relevant product disclosure statements (PDSs) for the Shield Master Fund. These concerns appear to extend to information (or lack of information) in the Shield Master Fund's disclosure statements about Keystone's role in underlying investments, investment risks, diversification of assets, performance fees, asset classifications, redemption restrictions, conflicts of interest and other matters.

For further information about ASIC's reasons for issuing the stop orders is set out in a media release available from ASIC's website at <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-018mr-asic-halts-offers-of-shield-master-fund/>

While ASIC issued further interim orders in relation to its concerns on 21 February 2024, according to ASIC the orders were revoked on 9 April 2024 because "Keystone lodged notices with ASIC stating products under the PDSs have ceased to be available to new clients as of 1 April 2024".

We have also become aware that Keystone have decided to suspend redemptions from the Shield Master Fund. This is confirmed in a significant event notice dated 2 April 2024 issued by Keystone (attached). It is not clear when the decision to suspend redemptions was made, however Keystone's notice indicates the suspension will "... continue ... 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 ...". Keystone asserts an update as to the "... timing for the recommencement of offers and redemptions ..." will be provided in the "near future".

Due to ASIC's action in relation to the Shield Master Fund, no new contributions or inward rollovers have been able to be invested in the Shield Master Fund for members who have previously chosen the



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Shield Master Fund as part of their investment strategy (for their account balance and/or new deposits into their accumulation account) from early February 2024. Any amounts that would otherwise have been invested in the Shield Master Fund have been held in your Cash Account or invested in accordance with any revised instructions from your adviser (if you haven't provided revised instructions via your adviser, you should consider doing so).

We are conducting our own investigation of the nature, value and liquidity of the underlying investments of the Shield Master Fund.

Also, it is important to note:

- Due to Keystone's suspension of redemptions, any withdrawal or outward rollover requests received from members invested in the Shield Master Fund will not be able to be fully processed until further notice. Any withdrawal, outward rollover or switching request received from you in relation to your account in NQ Super and Pension will, however, be partially processed to the extent it does not require the redemption of units in the Shield Master Fund. We consider this a necessary step having regard to our legal obligations, including to ensure a fair and equitable outcome for all members of your product. It also reflects our right (as previously disclosed to you) to defer withdrawals or delay payments where an investment becomes illiquid.
- Due to Keystone's suspension of redemptions, any request to switch out of the Shield Master Fund will not be able to be processed (for the reasons stated above). If you wish to invest in other assets accessible to you, the acquisition of these assets will need to be from funds derived from your other holdings (such as cash, ASX listed securities or other managed funds).
- Usually, unit prices related to the Shield Master Fund are updated on a daily basis (business days only) so that the performance of your account reflects the actual performance of the Fund. Keystone last provided pricing data for units in the Shield Master Fund (**Shield prices**) on 3 April 2024. Until more up-to-date Shield prices are available to us, information provided to you about the amount of your account balance(s) (including online) will be as at 3 April 2024, and will not be able to be updated. Unit pricing (and the valuations) are subject to change.

However, required withdrawals or deductions from your account (for example, minimum annual pension payments and applicable fees and costs, including any insurance premiums, charged directly to your account) will, as far as practicable, continue to be paid from your cash account in the Fund and/or (where necessary) the sell-down of your other asset holdings; based on instructions from your financial adviser.

If previous instructions relating to your account balance included:

- the manner (proportion or order) in which your account's assets are to be liquidated to satisfy minimum cash holding requirements and, more generally, any withdrawals or deductions from your account; or
- rebalancing instructions for your portfolio of assets,

you should speak to your financial adviser about revising these instructions in light of the cessation of redemptions from the Shield Master Fund (if you have not already done so). Depending on the circumstances (including, for example, where revised instructions are not received), we may make adjustments to your prior instructions to ensure we meet our legal obligations.

We will write to you again as soon as practicable after the earlier of:



- the completion of our investigation into the nature, value or value and liquidity of the assets of the Shield Master Fund; or
- we become aware of any other material change or event (including the publication of any updated information from Keystone in relation to its suspension of redemptions).

We may also publish updates at www.ngsuper.com.au, including updates relating to the processing of withdrawal requests impacted by Keystone's suspension of redemptions.

In the meantime, it's important to note that:

- this notice provides general information only, that does not consider your personal circumstances;
- we are unable to provide you with personal financial advice;
- you can (and we urge you to) obtain personal advice from your financial adviser about the implications of this notice, having regard to your personal circumstances; and
- you can lodge a complaint with us at

The Complaints Officer
NQ Super & Pension
PO Box 3528
Tingalpa DC, QLD 4173
Ph: 1300 986 450
Fax: (07) 3899 7299.

If your complaint relates to the financial services provided to you by your financial adviser, you should lodge your complaint with your adviser.

Yours sincerely

For and on behalf of the Trustee, Equity Trustees Superannuation Limited



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.



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We are conducting our own investigation of the nature, value and liquidity of the underlying investments of the Shield Master Fund.

Also, it is important to note:

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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



Mark Yorston
Director
Keystone Asset Management Limited



Paul Chiodo
Director
Keystone Asset Management Limited



