

03/04/2024

Dear Investor

Lucerne Alternative Investments Fund ARSN 621 610 848
Significant Event Notice – Change to Distribution Frequency and Benchmark

The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235150) (**Perpetual**) is the responsible entity of the Lucerne Alternative Investments Fund (ARSN 621 610 848) (the **Fund**) and Lucerne Funds Pty Ltd (ABN 667 669 718, a corporate authorised representative (No. 001237281) of Lucerne Services Pty Ltd ABN 13 606 629 538 AFSL 481217) (**Lucerne**) is the investment manager of the Fund.

As manager of the Fund, we are writing to advise you that after careful consideration, Perpetual and Lucerne have formally agreed to:

1. Reduce the Funds distribution frequency from semi-annual to annual.
Since its inception in December 2017, the Fund has never issued a semi-annual distribution. The process of calculating semi-annual distributions incurs additional costs to the unit holders of the Fund and this change is intended to reduce costs for the Fund's unitholders.
2. Change the benchmark:
To ensure that the Lucerne Alternative Investments Fund's return objective stays relevant amid evolving market conditions, especially with interest rates returning to normalcy after the emergency measures of the past three years, Perpetual and Lucerne have agreed to adjust the benchmark for the Fund. This amendment aligns with the Fund's original aim of achieving an absolute return target of 6% per annum over a 5-year cycle. This adjustment enables the Fund to pursue returns comparable to equities while maintaining lower volatility than the equity market.

This change to the benchmark does not impact the calculation of any performance fees that may be payable to Lucerne. The performance fee benchmark remains anchored to absolute returns, subject to high watermark protection.

The change of distribution frequency and benchmark is targeted to be effective 3rd of May, no less than 30 days from the issue of this notice. The change will not result in any change to the investment strategy or investment objectives of the Funds. Further, there will be no changes to fees and costs.

For more information, please read this notice alongside the PDS available from the Fund's website www.laif.com.au/invest

If you have any further questions regarding these proposed changes, please contact Lucerne on +61 3 8560 1440.

Yours sincerely,
Lucerne Funds Pty Ltd