

Update of information

Date of issue | 6 September 2019

WaveStone Capital Absolute Return Fund (the Fund) - change to the Fund's performance fee hurdle

Currently the Fund may charge a performance fee of 15% (exclusive of GST) of the Total Unit Holder Return in excess of the hurdle – the RBA Cash Rate (Performance Fee Hurdle).

The Total Unit Holder Return is calculated as:

- the increase in the net asset value per unit; plus
- the value of any distributions (declared, paid or payable) grossed up to include any franking credits distributed.

When the Fund began in 2006 the RBA Cash Rate was 6.25%. Since that time there has been a steady decrease to its current historically low level of 1.00%.

Fidante Partners Limited (**Fidante Partners, we, us**) as trustee of the Fund believe that, as interest rates have fallen to historic low levels and the equity exposure in the Fund has remained constant (approximately 60-70% of the Fund's net asset value) it is appropriate and in the best interests of unitholders as a whole to increase the Performance Fee Hurdle.

Effective 5 September 2019, the Performance Fee Hurdle has been updated so that the Fund may charge a performance fee of 15% (exclusive of GST) of the Total Unit Holder Return in excess of the higher of:

- the RBA Cash Rate; or
- 3.75% p.a. (exclusive of GST) (resulting in an absolute return hurdle including management fees, of 5% p.a. (exclusive of GST)).

The Performance Fee Hurdle will be reviewed on 31 March, 30 June, 30 September and 31 December and adjusted for the following 3-month period to the higher of the RBA cash rate or 3.75%.

There is no change to how the performance fee is calculated nor the Fund's investment objective, philosophy, universe or approach as a result of the change.

Where can I find out more information?

If you have any further questions regarding these changes, or for updated information about the Fund, please contact your financial adviser, visit our website www.fidante.com.au or call Dean Fraser, Head of Client Service on (02) 9994 7259, during Sydney business hours.

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