

WaveStone Australian Share Fund

The WaveStone Australian Share Fund is an active, high conviction portfolio of Australian shares.

WaveStone aims to provide investors with tax-effective income and capital growth over the long-term by investing in a portfolio of quality businesses, identified as offering the common theme of **Sustainable Competitive Advantage (SCA)**.

Our investment approach

Philosophy

WaveStone believes:

- Share prices over time typically reflect the growth in the level of a company's earnings.
- Markets are not efficient, leading to securities becoming mispriced.

WaveStone will:

- Identify businesses which exhibit **Sustainable Competitive Advantage (SCA)**. SCA is determined by the interaction of Superior Corporate DNA and Favourable Industry Dynamics.
- Identify companies where the Board and Management have demonstrated a track record of effective capital allocation.
- Exploit inefficiencies whereby the market misprices the underlying medium to long term earnings potential.

Process

We follow a repeatable, four-step investment process:



Key differentiators: Filter is **qualitative** and **unique portfolio construction**

Finding companies with a Sustainable Competitive Advantage

The cornerstone of WaveStone's investment approach is to identify businesses which exhibit a **Sustainable Competitive Advantage** – businesses with superior corporate DNA operating within industries with favourable dynamics that deliver above market earnings growth.

Corporate DNA, or a company's genetic markers, can indicate a company's likelihood of success. There are seven markers including a company's track record, logical expansion plans and its research and development effort.

Once we have established if a company has the Superior Corporate DNA attributes, we then assess whether or not the company is facing headwinds or tailwinds in its industry. A total of eight markers of industry dynamics are considered.

What makes us different

Experienced investors – Diverse team led by three principals with over 20 years experience each.

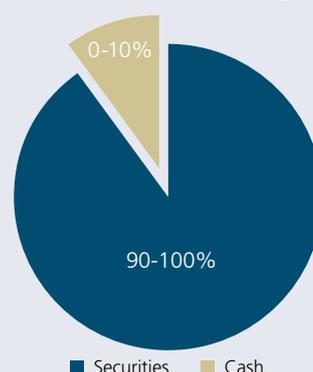
Unique qualitative approach – Screen companies for Sustainable Competitive Advantage combined with strong valuation discipline.

Boutique advantage – All principals are aligned with investor outcomes.

Fund characteristics

Manager inception date ¹ :	1 February 2014
Fund inception date:	18 November 2003
Objective:	To outperform the benchmark over rolling three-year periods.
Benchmark:	S&P/ASX 300 Accumulation Index
Minimum initial investment:	\$10,000 or \$1,000 with Regular Savings Plan
Management fee:	0.97% p.a. of the net asset value of the Fund
Distribution frequency:	Half yearly
APIR code:	HOW0020AU

Asset allocation ranges



¹ The Fund was formerly called the Orion Wholesale Australian Share Fund. WaveStone Capital was appointed Investment Manager effective 1 February 2014.

About WaveStone

WaveStone is a specialist boutique Australian equities manager based in Sydney. WaveStone was founded in 2006 and is majority owned by its principals.

WaveStone aims to provide capital growth over the long term and tax-effective income by investing in quality companies with a sustainable competitive advantage.

Experienced team

The WaveStone Capital investment team is highly seasoned, with over 20 years' investment experience each. Our team members have managed multi-product and multi-billion dollar funds in both wholesale and retail markets with distinction.



Catherine Allfrey
Principal



Raaz Bhuyan
Principal



Graeme Burke
Principal

Our partner

Fidante Partners forms long term alliances with talented investment teams to support and grow specialist investment management businesses. By providing a broad range of integrated services to WaveStone Capital, Fidante Partners frees up the WaveStone investment team to focus on what we do best; investing and managing assets.

Contact us:

Individual Investors

To find out more, please contact your financial adviser or call the Fidante Partners Investor Services Team on 13 51 53.

Financial Advisers

To find out more, please contact your local Fidante Partners Business Development Manager or call the Fidante Partners Adviser Services Team on 1800 195 853.

WaveStone
CAPITAL

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