

WaveStone Australian Equity Long Short Fund

ARSN 134 793 605 APIR Code HOW0053AU

ASIC Benchmarks and Disclosure Principles Report 20 October 2026

This ASIC Benchmarks and Disclosure Principles Report (**Benchmark Report**) provides specific information in relation to the WaveStone Australian Equity Long Short Fund (ARSN 134 793 605) (**Fund**) which is issued by Fidante Partners Limited (ABN 94 002 835 592) (AFSL 234668) (**Fidante, we, us, Responsible Entity, RE**). WaveStone Capital Pty Limited (**WaveStone or the investment manager**) is the investment manager of the Fund.

The information in this document forms part of the WaveStone Australian Equity Long Short Fund Product Disclosure Statement dated 20 October 2026.

We recommend that you read this Benchmark Report in conjunction with the Product Disclosure Statement (**PDS**) for the Fund before making an investment decision. A copy of the PDS for the Fund is available from www.fidante.com. This Benchmark Report may be updated periodically and non-materially adverse information may be updated at www.fidante.com.

A copy of any updated Benchmark Report or PDS will be given to you on request, without charge, by calling the Fidante Investor Services Team on 1300 721 637.

Capitalised terms used in this Benchmark Report which are not expressly defined in this Report have the meanings given to them in the PDS.

ASIC Benchmarks and Disclosure Principles

The ASIC Benchmarks and Disclosure Principles are aimed at assisting investors to understand the risks of investing in funds that meet certain criteria under 'ASIC Regulatory Guide 240: Hedge funds: Improving disclosure' and whether such investments are suitable for them.

The ASIC Benchmarks and Disclosure Principles covered in this Benchmark Report are as follows:

ASIC Benchmarks	For information on each Benchmark refer to the following pages.
ASIC Benchmark 1: Valuation of assets	page 2 of this report
ASIC Benchmark 2: Periodic reporting	page 2 of this report
ASIC Disclosure Principles	For information on each Disclosure principle refer to the following pages.
ASIC Disclosure Principle 1: Investment strategy	page 2 of this report
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ASIC Disclosure Principle 4: Valuation, location, and custody of assets	page 9 of this report
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ASIC Disclosure Principle 9: Withdrawals	page 11 of this report

Benchmark 1: Valuation of assets

This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.

This benchmark does not apply to the Fund as it does not currently hold assets that are not exchange traded. However, the Fund does have the ability to invest in non-exchange traded assets and if the Fund was to invest in these assets in the future there is a policy in place to ensure valuations would be provided by an independent external provider.

For additional information in relation to the valuation of assets, please refer 'How unit prices are calculated' in the Fund's PDS.

Benchmark 2: Periodic reporting

This benchmark sets out information that investors should likely be aware of, on a periodic basis.

This benchmark is met as the RE has a policy in place to provide detailed monthly and quarterly updates on the Fund's holdings as follows.

The following information will be included in the Fund's periodic report:

- the actual allocation to each asset type;
- the liquidity profile of the portfolio of assets as at the end of the relevant period;

- the maturity profile of any liabilities at the end of the relevant period;
- the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) at the end of the relevant period;
- details on the derivative counterparties engaged;
- the monthly or annual investment returns over at least a five-year period, or since inception if less than five years; and
- any changes to key service providers since any previous report given to investors, including any change in any related party status.

The Fund's latest report will be available on the Fidante website.

On a monthly basis, the following information will be made available on the Fidante website.

- the current total net asset value (**NAV**) of the Fund and the redemption value of a unit as at the date the NAV was calculated. For further information on how the NAV of the Fund is calculated, please refer to 'How unit prices are calculated' in the Fund's PDS;
- any changes in key service providers or their related party status;
- any material change in the Fund's risk profile, strategy and investment team; and
- the net return on the Fund's assets after fees, costs and taxes.

Disclosure Principle 1: Investment strategy

This disclosure principle is intended to ensure that investors are made aware of the details of the investment strategy for the Fund, including the type of strategy, how it works in practice, and how risks are managed.

Investment strategy

The Fund is a long short active extension fund which aims to provide a return (after fees and costs) that exceeds the S&P/ASX300 Accumulation Index over the medium to long term by taking both long and short positions in a portfolio of Australian and New Zealand securities.

Investment style

WaveStone is an active, fundamental manager investing across the entire spectrum of the Australian and New Zealand share market and may also invest in international securities listed on exchanges in other developed markets. Typically, companies selected will be those that are prudently financed and well-managed, with a track record of success. Primary emphasis is placed on bottom-up stock picking through comprehensive research.

Investment philosophy

WaveStone

- identifies businesses with superior corporate DNA operating within favourable industry dynamics that are expected to deliver above market earnings growth; and
- exploits inefficiencies whereby the market misprices the underlying medium to long term earnings potential.

Share prices over time typically reflect the growth in the level of a company's earnings. WaveStone's approach is to identify the higher growth companies where the market is generally not overpaying the earnings expectation. On occasion, the market will over-penalise lower growth stocks which can still provide the opportunity for outperformance via eventual recovery or takeover.

Conversely, the market may have excessive expectations or be unaware of a changed risk outlook for the company. In this situation, the stock may be a short-selling candidate.

Key dependencies underpinning the strategy's ability to produce investment returns

The Fund will typically operate within a net equity exposure band of 90-100%, and expected returns will reflect a level of correlation with overall equity returns (typically the higher the level of net equity exposure, the higher the correlation with market returns). Where the Fund operates with a net equity exposure less than 100%, this typically insulates investors from the full extent of any market decline. Conversely, the lower the Fund's net equity exposure, the more likely the Fund's returns will trail a rising equity market. The investment manager deploys judgement and experience to determine the net equity exposure.

The remaining component of overall fund returns will also be determined by the success and failure of individual stock selection, referred to as stock alpha. Individual stock selection is determined by the application of WaveStone's stated investment philosophy and style (as explained above).

Interest rates and economic activity influence equity markets, generally low and falling interest rates and improving economic activity are positive factors on equity markets and investment returns. Conversely, generally high and rising interest rates and falling economic activity are negative factors on equity markets and investment returns.

Asset allocation

Asset class	Min (%)	Max(%)
Long securities	50	150
Short securities	0	100
Cash	0	50
Net equity exposure	50	100
Gross equity exposure	50	250

Investment universe

The Fund typically holds between 40 and 70 long positions and between 25 and 45 short positions in companies listed, or intended to be listed within 12 months, on Australian, New Zealand and international stock exchanges in other developed markets.

The Fund may invest up to 30% of the Fund's net asset value in securities listed on New Zealand exchanges and up to 10% of the Fund's net asset value in securities listed in other developed markets. The maximum total exposure across both New Zealand and other developed markets is 30% of the Fund's net asset value. It can also enter into underwriting agreements relating to shares able to be held by the Fund provided there are sufficient liquid assets in the Fund to cover such obligations. The Fund may use options, futures and other derivatives to achieve its performance objective.

Currency strategy

The Fund primarily invests in shares of Australian companies.

The Fund's investments in international securities may be denominated in foreign currencies.

WaveStone may, from time to time, seek to reduce currency exposure risk for the Fund by hedging the exposure certain investments may have to foreign currencies including, but not limited to, the New Zealand dollar and US dollar, relative to the Australian dollar.

For further information on the currency strategy of the Fund refer to 'How we invest your money' in the Fund's PDS.

Portfolio construction and Risk Limits

The Fund may invest up to 30% of the Fund's net asset value in securities listed on New Zealand exchanges and up to 10% of the Fund's net asset value in securities listed in other developed markets. The maximum total exposure across both New Zealand and in other developed markets is 30% of the Fund's net asset value.

For the Long allocation, the portfolio weighting of a company will generally be determined by the level of undervaluation of the company, the quality of the company, the liquidity of the stock and manager conviction.

When shorting a company, each candidate is classified into three risk buckets: Funding, Event, or Pair Trades, based on the underlying source of alpha and risk profile. Assessment and position-sizing considerations include intrinsic value, catalyst or relative-value thesis, supporting evidence, risk factors and invalidation markers. All short positions are subject to ongoing monitoring and periodic review against closure criteria, avoid list, portfolio positioning considerations, and liquidity risks.

The Fund references the following diversification guidelines:

- The individual weighting to any one long stock is +/-5% of the company's weight in the S&P/ASX 300 Accumulation index.
- The maximum individual short position will typically be -2.5%.
- Typically, a 30% weighting limit to companies outside the S&P/ASX 100; and
- Sector weightings will remain between +/-10% of the sector's weight in the S&P/ASX 300 Accumulation Index.

For further information on the assets of the Fund refer to 'How we invest your money' in the Fund's PDS.

Leverage	Gearing can be obtained by using an asset as a security for borrowing money to increase the amount of money available to the Fund for investment. While the Fund may borrow up to 50% of the Fund's net asset value, the Fund is restricted to a net equity exposure between 50-100%. Please refer to 'Disclosure Principle 6: Leverage' in this report and 'How we invest your money' of the Fund's PDS for further information on leverage.
Derivatives	The Fund primarily uses exchange traded derivatives; however, the Fund has the capacity to utilise over-the-counter (OTC) derivatives (although rarely used). Derivatives may be used to hedge market exposure via the use of Share Price Index (SPI) contracts. Contracts can be sold to lower the overall market exposure of the portfolio and remain within the net equity exposure limit of 100%. Where the Fund uses derivatives, WaveStone aims to manage the Fund to keep sufficient liquid assets in the Fund to meet all obligations associated with the derivatives. Please refer to 'Disclosure Principle 7: Derivatives' in this report and 'How we invest your money' in the Fund's PDS for further details on how derivatives are used in the Fund.
Short selling	Leveraging off WaveStone's existing market experience, short selling expands the range of available investment opportunities, enabling it to harvest return in both directions (that is, benefiting from outperforming and underperforming stocks), through all market cycles. Typically, the maximum short exposure for a single name will be -2.5%. WaveStone confines its short selling largely to the top ASX 200 companies predominantly for liquidity reasons. Please refer to 'Disclosure Principle 8: Short Selling' in this report and 'How we invest your money' in the Fund's PDS for further information on short selling.
Risk management	<p>The main investment risks to which the Fund may be exposed are a result of:</p> <ul style="list-style-type: none"> • stock selection; • industry diversification; • the level of cash/gearing in the Fund i.e. under/over invested depending on point of cycle; and • success in identifying short positions while avoiding takeovers of problem stocks short sold. This is achieved through the experience of WaveStone's investment team and adherence to the WaveStone investment process. <p>Risk management is embedded in the investment process and is considered at the portfolio level as well as at the individual stock level. Risk is managed by:</p> <ul style="list-style-type: none"> • diversification across industry categories as well as by size; • diversification across different shorting techniques used by the manager (Pairs, Events, Funding); • continuous portfolio monitoring to minimise unintended risks; and • portfolio level risk controls. <p>Derivatives may also be used to hedge market exposure via the use of SPI contracts. Such contracts can be sold to lower the overall market exposure of the portfolio and remain within the net equity exposure limit of 50-100%.</p> <p>For information on the key risks to the Fund, please refer to 'Risks of managed investment schemes' in the Fund's PDS.</p>
Changes to investment policy	The constitution of the Fund permits a wide range of investments, and gives the Responsible Entity broad investment powers. The RE can change the investment manager and/or vary the investment objectives, strategies, benchmarks, asset allocation ranges and processes of the Fund. If this were to occur, the RE will provide unitholders with written notice of any material variation which the RE believes unitholders would not have reasonably expected.

Disclosure Principle 2: Investment manager

This disclosure principle is intended to ensure that investors have the necessary information about the people responsible for managing the Fund's investments, as well as the arrangement between the Responsible Entity and any investment manager.

As Responsible Entity of the Fund, Fidante has appointed WaveStone as the investment manager of the Fund to invest and manage the Fund's portfolio.

Key information on the investment team of the Fund, including details on their qualifications, commercial experience and time spent executing the Fund's investment strategy is provided in the tables below.

Name	Charles Story
Title	Portfolio Manager
Year joined	2026
Investment Experience	Since 2005

Name	Charles Story
Educational and professional qualifications	<p>Charles holds a Bachelor of Business (Economics) from The University of Queensland and a Master of Applied Finance (with Distinction), majoring in Funds Management, from Macquarie University.</p> <p>Charles has more than 20 years of experience in risk management and Australian equities investing. He began his career at Goldman Sachs, where he spent five years in a variety of risk management roles. During this time, he gained valuable international experience working across the firm's offices in London, Tokyo, and Singapore.</p> <p>Charles then joined Solaris, where he spent 14 years and progressed to the role of Portfolio Manager, with responsibilities across the firm's long-only, long-short, and income strategies. He was also appointed Portfolio Specialist for the Solaris long-short strategy.</p>
Portion of time devoted to executing investment strategy	80%

Name	Raaz Bhuyan
Title	Director and Portfolio Manager
Year joined	2014
Investment Experience	Since 1993
Educational and professional qualifications	<p>Raaz is a CFA charter holder and has completed a Bachelor of Engineering and an MBA (Finance & Systems).</p> <p>Raaz started his career at Tata Steel as a systems analyst in 1988. He was responsible for design, programming as well as implementation of application and automation systems. He moved into stock broking in 1995 as a research analyst for ING Barings in India. Raaz joined Colonial First State in March 2003 as a senior small companies' analyst in the Australian Equities, Growth team. He led the small company's investment team from November 2005 until June 2009 and became Portfolio Manager for the Australian Share Fund in July 2009. By April 2013, he was appointed Deputy Head of Equities, Growth managing \$1.9bn FUM prior to his departure in mid-2014.</p>
Portion of time devoted to executing investment strategy	80%

Name	Anthony Tan
Title	Portfolio Manager
Year joined	2014
Investment Experience	Since 2014
Educational and professional qualifications	<p>Anthony is a Chartered Accountant and has completed a Bachelor of Commerce (Accounting and Finance) and a Masters of Applied Finance.</p> <p>Anthony commenced his career as a tax accountant in 2009 for a chartered accounting firm in Sydney CBD working on tax obligations for individuals, companies, trusts and superfunds. He moved into funds management in 2012, joining Challenger Limited (Challenger) as a financial accountant. At Challenger, he prepared the financial and management accounts for WaveStone as well as several other boutique fund manager firms under Challenger.</p> <p>Anthony joined WaveStone in 2014 as an Associate Analyst before being promoted to an Investment Analyst in 2016. In 2023, he was promoted to Deputy Portfolio Manager for the WaveStone Australian Equity Long Short Fund and then Portfolio Manager in July 2025.</p>
Portion of time devoted to executing investment strategy	80%

Name	Ryan Martyn
Title	Portfolio Manager
Year joined	2024

Name	Ryan Martyn
Investment Experience	Since 2004
Educational and professional qualifications	<p>Ryan has completed a Bachelor of Commerce (Finance, Economics) and a Bachelor of Mechanical Engineering (1st Class Honours).</p> <p>Ryan began his career in equities in 2004 as a research analyst at JPMorgan. In 2007 he joined VGI Partners as an Investment Analyst responsible for generating both long and short ideas, globally. Ryan joined T Rowe Price as an Investment Analyst in 2011, becoming Head of Australian Research and Associate Portfolio Manager on the Australian fund in 2018.</p>
Portion of time devoted to executing investment strategy	80%

Termination of the investment manager's appointment

As RE of the Fund, Fidante is entitled to terminate the investment manager's appointment in writing, with a minimum of five business days' notice. The circumstances in which an investment manager may be terminated include where the investment manager is in liquidation, ceases to carry on or sells its investment management business, breaches the investment management agreement, or if the investment manager ceases to be licensed under the relevant law. Termination of an investment manager may not impact the accrual of management fees and expenses during the period of termination

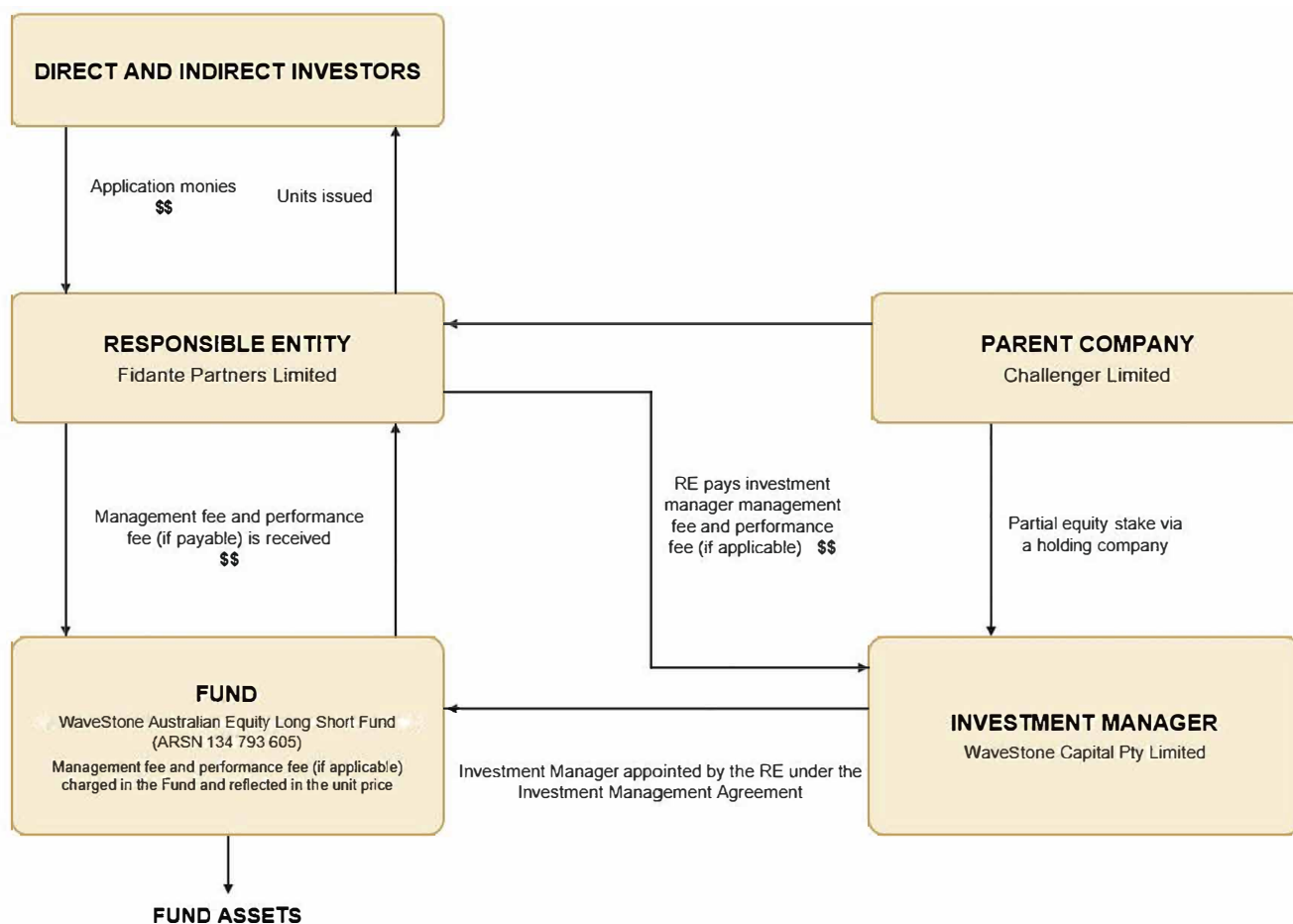
Disclosure Principle 3: Fund structure

This disclosure principle is intended to ensure that the investment structures, the relationships between entities in the structure, fees and other costs payable to the Responsible Entity and investment manager, jurisdictions involved, the due diligence performed on underlying funds, and the related party relationships within the structure are explained.

The Fund's investment structure

The Fund is a registered managed investment scheme.

The diagram below shows the key entities involved in the Fund, their relationship to each other, their roles and the flow of investment money through the Fund as at the date of this report.



The key service providers of the Fund are outlined below.

Key service providers	Role	Scope of services	Jurisdiction
WaveStone Capital Pty Limited (ABN 80 120 179 419, AFSL 331644)	Investment manager of the Fund	WaveStone is the investment manager of the Fund and responsible for all aspects of the investment management of the Fund. WaveStone is entitled to receive a management fee and performance fee (if applicable) for its management of the portfolio. For further information on WaveStone, please refer to 'About WaveStone' in the Fund's PDS.	Australia
Fidante Partners Limited (ABN 94 002 835 592, AFSL 234668)	Responsible Entity	A wholly owned subsidiary of Challenger Limited and responsible entity of the Fund, Fidante will issue units in the Fund and is legally responsible to the unitholders of the Fund for its operation. For further information on Fidante, please refer to 'About the Responsible Entity' in the Fund's PDS.	Australia
Challenger Limited (ABN 85 106 842 371)	Parent Company of the Responsible Entity	Subsidiaries of Challenger Limited have a partial equity stake in WaveStone Capital and provide back office, marketing, distribution, administration and compliance support services.	Australia
State Street Australia Limited (ABN 21 002 965 200)	Fund Administrator	As Fund administrator, State Street Australia Limited (State Street) provides the following services: fund valuation and reconciliations; performance and attribution; fund accounting; distribution calculations and financial accounts.	Australia
Boardroom Pty Limited (ABN 14 003 209 836)	Fund Registry	Boardroom Pty Limited (Boardroom) is responsible for maintaining the register of unitholders which includes all details of an investor's account and investments. The registry provider is responsible for sending all correspondence related to unitholders investments as well as providing customer service support.	Australia
UBS Nominees Pty Limited (ABN 32 001 450 522, AFSL 231088)	Custodian	UBS Nominees Pty Limited has been appointed by the RE as the custodian for the Fund. The custodian provides custodial services to the Fund and is responsible for the safekeeping of the assets of the Fund. As custodian of the assets of the Fund, UBS Nominees Pty Limited has no independent discretion with respect to the holding of assets and is subject to performance standards. For further information on the custodian of the Fund, please refer to 'About the Prime Broker and Custodian' in the Fund's PDS.	Australia
UBS AG, Australia Branch (ABN 47 088 129 613, AFSL 231087)	Prime Broker	UBS AG, Australia Branch acts as the prime broker for the Fund to facilitate the Fund's investment activities. The services may include the provision to the Fund of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Fund may also use the prime broker for the purposes of executing transactions to the Fund. The prime broker has no decision making discretion relating to the investment of the assets of the Fund. The obligations of the Fund to the prime broker will be secured by transferring to the prime broker by way of security title to certain investments, cash or other assets of the Fund. Refer to 'About the Prime Broker and Custodian' in the Fund's PDS for further information.	Australia

Key service providers	Role	Scope of services	Jurisdiction
Ernst & Young ABN 75 288 172 749)	Auditor	Ernst & Young is the registered company and compliance plan auditor for the Fund. The auditor's role is to provide an audit of the financial statements and compliance plan of the Fund each year, as well as performing a half- yearly review (if required), and to provide an opinion on the financial statements.	Australia

The Responsible Entity has entered into separate agreements with each service provider which sets out the terms and conditions of the relationship, as well as the consequences of any breaches to the terms of that relationship. The Responsible Entity has agreements in place with each service provider for the provision of certain reporting obligations and adopts the following procedures to ensure compliance with these arrangements:

- The Responsible Entity monitors the services provided by UBS Nominees Pty Limited as custodian and UBS AG, Australia Branch as prime broker, State Street as administrator and Boardroom as registry provider through its day-to-day dealings with the service providers.
- Ernst & Young provides audit services for the Fund's full-year statutory accounts and compliance plan as well as half-year opinions for half-year accounts (if applicable). Ernst & Young's services are conducted in accordance with the Corporations Act 2001 (Cth), including auditing standards as revised by the Auditing and Assurance Standards Board.

Related party relationships

As mentioned previously, a subsidiary of Challenger Limited has a partial equity stake in WaveStone. Fidante has appointed WaveStone as the investment manager of the Fund. We may enter into transactions with, and use the service of, any of our related entities. Such arrangements will be based on arm's length commercial terms. We, or any of our related entities, or any director, officer or employee of any of them may invest in the Fund. There are currently no material arrangements in place with the Fund that have not been made on arm's length terms.

Key risks of the Fund structure

The key risks to the Fund's structure are counterparty risk, currency risk, fund risk and service provider/prime broker risk. For further information on these risks please refer to 'Disclosure Principle 1: Investment strategy' in this report and 'Risks of managed investment schemes' in the Fund's PDS.

Disclosure Principle 4: Valuation, location, and custody of assets

This disclosure principle is intended to ensure that the RE of the Fund discloses the types of assets held, where they are located, how they are valued and the details of any custodial arrangements.

Valuation policy of the Fund

The Fund's assets and liabilities are usually valued each NSW business day. Generally, for unit pricing purposes, listed securities are valued using the last available market close price quoted on the relevant exchange and liabilities are valued at cost. Liabilities also include an accrual for management costs and for costs (if any) that an investor would ordinarily incur when investing in the Fund's underlying assets. Any other assets such as cash and cash receivables are valued at recoverable value.

Any income entitlements, cash at bank, and any amounts of Goods and Services Tax (GST) recoverable from the Fund from the Australian Taxation Office (ATO) are also included in asset values used to calculate the investment and withdrawal unit price.

For more information, refer to 'How unit prices are calculated' in the Fund's PDS.

Asset allocation of the Fund

The strategic asset allocation ranges of the Fund are provided below:

Asset Class	Min (%)	Max (%)
Australian listed securities	50	150
Developed market securities (Ex Australia)	0	30
Sub-categories:		
New Zealand Securities	0	30
Other developed market securities	0	10
Exchange-traded derivatives	-100	150
Over-the-counter derivatives	-50	50
Cash equivalent investments	0	50
Other		
Net equity exposure	50	100
Gross equity exposure (the combination of long and short equity exposure)	50	250

Custodial arrangements of the Fund

The custodian of the Fund, UBS Nominees Pty Ltd, is a service provider to the Fund. For more information on the custodial arrangements of the Fund, refer to 'About the Prime Broker and Custodian' in the Fund's PDS.

Disclosure Principle 5: Liquidity

This disclosure principle is intended to ensure that investors are made aware of the Fund's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.

This disclosure principle does not apply to the Fund as the Fund reasonably expects to realise at least 80% of its assets at the value ascribed to those assets in calculating the Fund's net asset value within 10 days, as at the date of this Report.

Disclosure Principle 6: Leverage

This disclosure principle is intended to ensure that investors are made aware of the maximum anticipated and allowed level of leverage of the Fund (including leverage embedded in the assets of the Fund).

The Fund may utilise debt as part of its investment strategy and has the ability to borrow up to a maximum of 50% of the Fund's net asset value. The level of borrowings (leverage) employed by the Fund has historically been and is anticipated to continue to be around 0-20% of net asset value. However it is important to note that while the Fund may have a gross equity exposure up to 250% of the Fund (maximum limit to long securities is 150% and short securities is 100%), the net equity exposure of Fund is restricted to 50-100%. This is achieved by shorting individual stocks. Leverage utilised by the Fund may be undertaken through the prime broking relationship with UBS AG, Australia Branch who provides a prime broking arrangement that facilitates the Fund's investments. The use of assets as collateral for the Fund is dictated by this prime broking relationship with UBS AG, Australian Branch. Where the Fund enters into a leverage arrangement, the Fund's assets such as cash and certain investments may be used as collateral, and may be otherwise encumbered or subject to a set-off rights by the counterparty in the event.

The Fund must provide collateral to secure its obligations under the relevant prime brokerage customer documents. The amount of collateral is the value of the securities borrowed plus a margin. In the event that the value of the securities borrowed plus a margin exceeds the collateral provided, further collateral will need to be delivered so that the collateral equals the value of securities borrowed plus the margin.

Refer to 'About the Prime Broker and Custodian' in the Fund's PDS for further information of the activities of the prime broker.

The below example shows the impact of leverage on investment return and losses, assuming maximum anticipated level of leverage (including leverage embedded in assets of the Fund, other than leverage embedded in holdings of listed equities and bonds):

Comparison of long only fund vs. WaveStone Australian Equity Long Short Fund

- Assumes all funds perform in line with the equity market and SPI returns.
- Assumes the Fund adds or detracts no attribution from its short and long positions and all stock positions fall or rise in line with the equity market.

Net assets	Long only Fund (\$)	WaveStone Australian Equity Long Short FundEquity Fund (\$)
Long equities	100	130
Short equities		-30
	100	100
Net assets	100	100
Net equity exposure	100%	100%
Market movement up 10%		
Long equities	110	143
Short equities		-33
Net assets	110	110

Net assets	Long only Fund (\$)	WaveStone Australian Equity Long Short FundEquity Fund (\$)
Gain	10%	10%
Market movement down 10%		
Long equities	90	117
Short equities		-27
Net assets	90	90
Gain	-10%	-10%

Please note the above assumptions are for illustrative purposes only. The example assumes that all individual long and short positions move in line with the equity market. In practice, individual securities may perform differently from the broader market and from each other. Accordingly, the Fund's actual gains or losses may differ materially from those illustrated above.

For more information on how the Fund's uses leverage, please refer to 'Disclosure principle 1: Investment strategy' in this report and 'Borrowings' and 'Gearing and leverage' in the Fund's PDS.

Disclosure Principle 7: Derivatives

This disclosure principle is intended to ensure that investors are made aware of the purpose and types of derivatives used by the Responsible Entity or investment manager, and the associated risks. The term derivative is used to describe any financial product that has a value that is derived from another security, liability or index.

Derivatives are principally used to adjust or implement investment decisions, including hedging market exposure via the use of SPI contracts and as a risk management tool (such as managing the effect of interest rate or foreign currency movements). WaveStone can also use derivatives to gain exposure when they offer a more cost-effective way of purchasing the underlying security. Derivatives can be used to adjust levels of exposure to a particular market rather than purchasing physical assets, or put in place insurance for the portfolio.

The Fund primarily deals in exchange traded derivatives listed on the Australian Securities Exchange (ASX), New Zealand Stock Exchange (NZX) but may use over-the-counter (OTC) derivatives. The Fund can deal in derivatives such as options (including options on futures), futures, warrants, swaps, swaptions, and currency derivatives (including forwards) to achieve its performance objective.

The main risks to the Fund as a consequence of dealing in derivatives are counterparty risk and derivative risk (including the risks relating to the collateral requirements of derivative instruments). For more information, please refer to 'Disclosure Principle 1: Investment strategy' in this report and 'Derivatives' and 'Risks of managed investment schemes' in the Fund's PDS.

Disclosure Principle 8: Short selling

This disclosure principle is intended to ensure that investors are made aware of how short selling may be used as part of the investment strategy, and of the associated risks and costs of short selling.

The Fund uses short selling as an investment technique and may improve capital allocation efficiency. Short positions are taken on particular stocks where WaveStone believes a security is overvalued and it is expected that these stocks will fall in price, or for hedging purposes.

As the Fund engages in short selling, the Fund may be exposed to short position risk where there is no limit on the maximum loss that can be incurred when short selling. Please refer to 'Disclosure Principle 1: Investment strategy' in the Fund's PDS.

Short selling will also increase the Fund's total gross effective exposure to the share market above 100% of its net assets. This in turn may magnify the exposure to other investment risks detailed in 'Disclosure Principle 1: Investment strategy' and 'Risks of managed investment schemes' in the Fund's PDS. The Fund is restricted to short securities up to a maximum of 100% of the portfolio.

As part of the Fund's short selling strategy, the Fund may also borrow securities (from a lender of securities). In such case, the Fund pays the lender a fee for the borrowing and, depending on the agreement with the lender, the lender will earn interest on collateral lodged by the Fund (as borrower of securities) with the lender.

Short positions are also affected by risks associated with the lender of the security. There is the risk that the securities lender may recall a security that has been borrowed at any time. This means the borrower (i.e. the Fund) will have to find another securities lender willing to lend the security or buy the security on the share market within a short period of time. This may force the borrower to buy the security at an unfavourable price.

Short selling also exposes the Fund to other risks such as additional liquidity risk, counterparty risk and risks associated with securities lending risk. Refer to 'Disclosure Principle 1: Investment strategy' in this report and 'Risks of managed investment schemes' in the Fund's PDS for further information. To help manage any securities lending risk, there are requirements in place for borrowers to provide sufficient collateral as security for any lent securities, enforceable legal contracts between parties and undertaking securities lending through approved parties.

The below example outlines the potential gains and losses from short selling:

Potential gains from short selling	
In July, an investor borrows 300 XYZ shares and sells for \$150	\$45,000
In August, the investor buys back 300 XYZ shares for \$120 per share	(\$36,000)
Net profit	\$9,000
Potential losses from short selling	
In September, an investor borrows 300 XYZ shares and sells for \$150	\$45,000
In October, the investor buys back 300 XYZ shares for \$180 per share	(\$54,000)
Net loss	(\$9,000)

Disclosure Principle 9: Withdrawals

This disclosure principle ensures that investors are made aware of the circumstances in which the Fund allows withdrawals and how these might change.

If a situation occurs where the assets that the Fund invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security or an asset class, there is a risk that the generally applicable timeframe of five business days for meeting withdrawal requests may not be able to be met. This is because it may take longer to sell these types of investments at an acceptable price. In this case withdrawals from the Fund may take significantly longer than the generally applicable timeframe.

The maximum timeframe in which we, as Responsible Entity, have to meet a withdrawal request is set out in the constitution of the Fund. Where the Fund is not liquid (as defined in the Corporations Act 2001 (Cth)), you may only withdraw when we make an offer to withdraw to all investors under a statutory withdrawal offer, as required by the Corporations Act 2001 (Cth).

Refer to 'Additional information about withdrawing' and 'Withdrawal risk' in the Fund's PDS for more information.

Direct Investors

Direct Investors can request a withdrawal by lodging a Fidante Withdrawal Request Form or in writing. A withdrawal request, either in whole or in part, once received by us may not be withdrawn without our agreement. Withdrawals can only be made to an Australian bank account held in your name.

Indirect Investors

Indirect Investors must complete the withdrawal documentation required by the platform operator.

All Investors

Withdrawals from the Fund are not currently funded by an external liquidity facility.

In the event there are any material changes to withdrawal rights, investors will be notified of these changes in writing as soon as practicable.

Contact details

Phone	Fidante Investor Services Team on 1300 721 637 or +612 8023 5428 from outside Australia between 8.15am to 5.30pm (Sydney time)
Email	info@fidante.com.au
Mail	Fidante GPO Box 3993 Sydney NSW 2001 For any complaints please address to the 'Complaints & Disputes Resolution Officer'
Website	www.fidante.com

This document is issued by Fidante Partners Limited (ABN 94 002 835 592) (AFSL 234668). The ultimate parent of Fidante is Challenger Limited (ABN 85 106 842 371).

This document contains general information. In preparing the information contained in this ASIC Benchmarks and Disclosure Principles Report, we did not take into account your particular investment objectives, financial situation, or needs. As investors' needs and aspirations differ you should consider whether investing in the Fund is appropriate for you in light of your particular needs, objectives and financial circumstances. You may also wish to obtain independent advice, particularly about individual matters such as taxation, retirement planning and investment risk tolerance.

Consents

WaveStone Capital Pty Limited has provided its consent to the statements about it in the form and context in which it was included. It is not responsible for the issue of this Report, nor is it responsible for any particular part of this Report, other than the parts that refer to it. It has not withdrawn its consent before the date of this Report.

Boardroom Pty Limited has provided its consent to the statements about it in the form and context in which it was included. It is not responsible for the issue of this Report, nor is it responsible for any particular part of this Report, other than the parts that refer to it. It has not withdrawn its consent before the date of this Report.

UBS AG, Australia Branch has provided its consent to the statements about it in the form and context in which it was included. It is not responsible for the issue of this Report, nor is it responsible for any particular part of this Report, other than the parts that refer to it. It has not withdrawn its consent before the date of this Report.

UBS Nominees Pty Limited has provided its consent to the statements about it in the form and context in which it was included. It is not responsible for the issue of this Report, nor is it responsible for any particular part of this Report, other than the parts that refer to it. It has not withdrawn its consent before the date of this Report.

Ernst & Young has provided its consent to the statements about it in the form and context in which it was included. It is not responsible for the issue of this Report, nor is it responsible for any particular part of this Report, other than the parts that refer to it. It has not withdrawn its consent before the date of this Report.

State Street Australia Limited has provided its consent to the statements about it in the form and context in which it was included. It is not responsible for the issue of this Report, nor is it responsible for any particular part of this Report, other than the parts that refer to it. It has not withdrawn its consent before the date of this Report.