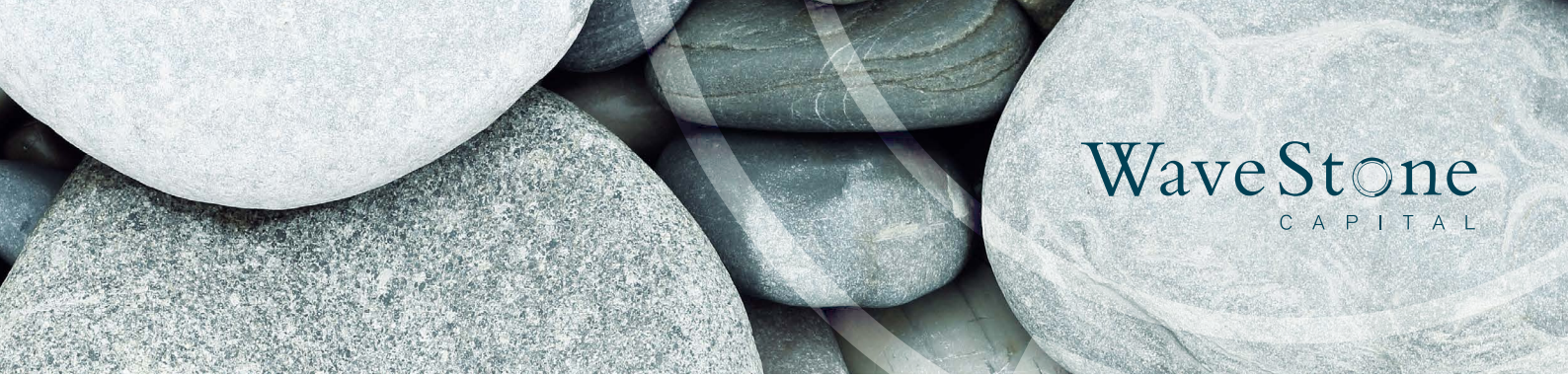


WaveStone Australian Equity Long Short Fund

Seeking enhanced returns through a 130/30 active extension strategy

The WaveStone Australian Equity Long Short Fund (the Fund) offers investors exposure to Australian equities that aims to outperform the S&P/ASX 300 Accumulation Index over the medium to long term through a high conviction portfolio.

Key features of the Fund

- Active, high conviction investment approach focused on identifying quality growth companies
- Typically targeting a 130% long / 30% short portfolio structure, with a net market exposure of 100%
- Typically invests in 40–70 long positions and 25–45 short positions
- Uses a range of tools including short selling and derivatives to generate alpha and manage risk

Our investment approach

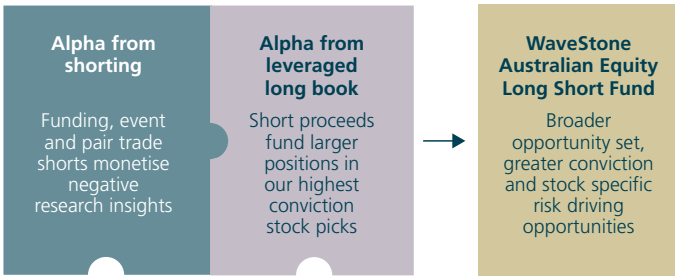
We believe **share prices over time typically reflect the growth in the level of a company's earnings**, and that markets are not efficient, leading to securities becoming mispriced.

We aim to identify businesses:

- With a Sustainable Competitive Advantage (SCA) – or superior 'corporate DNA' operating within industries with favourable dynamics that deliver above market earnings growth.
- Where the board and management team have demonstrated a track record of effective capital allocation.
- Where the market has mispriced the underlying medium to long term earnings potential.

Process

Our repeatable investment process aims to combine our best long investment ideas with alpha from short positions:



Finding companies with a Sustainable Competitive Advantage

Corporate DNA, or a company's genetic markers, can indicate a company's likelihood of success. WaveStone looks for seven Superior Corporate DNA Factors in prospective investments, including a company's track record, logical expansion plans, superior operating margins, and its research and development effort.

We next assess eight Industry Factors, or markers of the company's wider industry dynamics. A company deemed to have a Sustainable Competitive Advantage must have at least six or more factors across both the Superior Corporate DNA Factors and the Industry Factors.

Approach to shorting

In evaluating short ideas, WaveStone classifies potential shorts into one of three buckets:

- **Funding Shorts** – longer-term positions arising from structural rather than temporary issues
- **Event Shorts** – short-term positions established around a specific catalyst that is expected to trigger a meaningful negative reassessment of a company
- **Pairs Trades** – market-neutral positions that simultaneously take a long and short position in different companies with similar exposures

What makes us different

Experienced investors
A highly experienced investment team with deep Australian equities expertise

Qualitative investment approach
We screen companies for Sustainable Competitive Advantage, combined with strong valuation discipline

Boutique advantage
The team are fully aligned with investor outcomes

Fund characteristics

Fund inception date	2 July 2009
Objective^	Aims to provide a return (after fees and costs) that exceeds the Benchmark over the medium to long term by taking both long and short positions in Australian and New Zealand securities
Benchmark	S&P/ASX 300 Accumulation Index^^
Minimum initial investment	$10,000 or $1,000 with Regular Savings Plan
Management fee	0.99% p.a. of the net asset value of the Fund
Performance fee	15% of the Fund's return above the S&P/ASX 300 Accumulation Index
Distribution frequency	Generally annually
APIR code	HOW0053AU

Effective 20 October 2026 the Fund changed its investment objective.

^ PDS allows for a maximum of 100% short securities however the portfolio is managed to a maximum 50%.

^^ The Fund's benchmark has been the S&P/ASX 300 Accumulation Index since 1 January 2014. Prior to this, the benchmark was the RBA Cash Rate.

Why use an active extension approach?

- Access to additional sources of active return
- Greater flexibility for investment team to express investment ideas
- Retain full market exposure – in targeting a 130% long and 30% short structure, portfolio will maintain a 100% net equity exposure

About WaveStone

WaveStone is a specialist boutique Australian equities manager based in Sydney. Founded in 2006, the firm is majority owned by its principals and is led by an experienced investment team with a long-standing focus on Australian equities.

The WaveStone's investment team is highly seasoned, with extensive investment experience across Australian equities.

Our partner

Fidante 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 frees up the WaveStone investment team to focus on what we do best; investing and managing assets.

To find out more, please contact your financial adviser or local Fidante Business Development Manager, or call the Fidante Adviser Services Team on **1300 721 637**.

WaveStone CAPITAL

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