

Changes to the WaveStone Australian Equity Long/Short Fund (APIR code HOW0053AU) (Fund)

Since the Fund was established in July 2009, WaveStone Capital Pty Limited (**WaveStone**) has adopted a high conviction, benchmark unaware investment approach that has delivered strong returns to investors. The WaveStone investment team identify Australian and New Zealand-listed businesses with 'superior corporate DNA' which operate in favourable industry dynamics that can deliver above market earnings growth.

Fidante Partners, as responsible entity of the Fund, has recently undertaken a review of the Fund relative to its peers in the industry and are pleased to announce the following changes, directed at improving the positioning of the Fund relative to competing funds in the market and to deliver improved results to investors on an after fees basis. We propose introducing these changes effective on or around 1 January 2014 after providing investors with approximately 30 days' notice.

It is important to note that there are no changes to WaveStone's investment philosophy or approach to managing investments for the Fund.

- **Reduction in management fee**

The Fund's management fee will be reduced from 1.50% p.a. of the Fund's net asset value to 1.10% p.a. of the Fund's net asset value from 1 January 2014.

- **New performance fee benchmark**

While the Fund is not managed in a way that attempts to track a particular index, we will be amending the performance fee benchmark to better align the investment manager's interests with investors. As such, we will amend the performance fee benchmark for the Fund from the RBA Cash Rate to the S&P/ASX 300 Accumulation Index on or around 1 January 2014. If the Fund exceeds this performance benchmark, a performance fee may be payable on a quarterly basis. The performance fee of the Fund will be 15% of the Fund's daily return (after fees and expenses and after adding back any distributions paid) above the proposed performance benchmark of the S&P/ASX 300 Accumulation Index. The calculation of the Fund's return (after fees and expenses) at the end of the financial year will typically incorporate any distributed franking credits, irrespective of whether unitholders can utilise the franking credits or not.

- **New Fund name**

To better reflect the Fund's approach to managing a concentrated portfolio of Australian equities with an absolute return focus, the Fund's name will change as follows:

Previous Fund name	New Fund name from 2 January 2014
WaveStone Wholesale Australian Equity Long/Short Fund	WaveStone Dynamic Australian Equity Fund

- **New Product Disclosure Statement (PDS)**

A new PDS for the Fund that reflects these changes will be issued on or around 2 January 2014. The new PDS contains important and up-to-date information on the Fund and its investments and will be available on our website at www.fidante.com.au/im/WaveStone.htm

Do you need to take any action?

There is no action required from you until the new PDS is issued on or around 2 January 2014. We will provide you with the updated URL link at that time for the new PDS for the Fund.

The Fund will remain open to new and additional investments and we remain committed to providing you with excellent client service and ensuring we continue to manage the Fund in the best interests of unitholders.