

WaveStone Dynamic Australian Equity Fund

Monthly report July 2018

| Performance | 1 Month (%) | 3 Months (%) | 1 year (%) | 3 years (%) p.a. | 5 years (%) p.a. | Since inception (%) p.a. |
|---|-------------|--------------|-------------|------------------|------------------|--------------------------|
| Fund return (including franking credits) | 0.4 | 6.0 | 17.7 | 9.1 | 11.2 | 12.2 |
| Less: Franking credits ¹ | 0.0 | 0.3 | 1.2 | 1.3 | 1.3 | 1.4 |
| Total return² | 0.4 | 5.7 | 16.4 | 7.8 | 9.9 | 10.8 |
| S&P/ASX 300 Accumulation Index ³ | 1.3 | 5.8 | 14.7 | 8.1 | 9.1 | 10.0 |
| RBA Cash Rate | 0.1 | 0.4 | 1.5 | 1.7 | 2.0 | 2.9 |
| Average Daily Net Equity Exposure | 79 | 79 | 82 | 78 | 78 | 81 |

Past performance is not a reliable indicator of future performance.

¹ Franking credits accrued as received by the Fund.

² After all fees and expenses and assumes all distributions are reinvested.

³ From 1 January 2014, the benchmark of the Fund changed to the S&P/ASX 300 Accumulation Index. Prior to this, the benchmark of the Fund was the RBA Cash Rate.

| Fund facts | |
|-------------------------------|---|
| APIR Code | HOW0053AU |
| Inception date | 2 July 2009 |
| Investment objective | The Fund aims to provide capital growth over the long-term (at least five years) and tax-effective income. |
| Management Fee | 1.10% p.a. |
| Performance Fee | 15% of the Fund's daily return (after fees and expenses and after adding back any distributions paid) above the Fund's Performance Benchmark. |
| Buy/sell spread | +0.20%/-0.20% |
| Fund size | \$355m |
| Exit price | \$1.6913 |
| Distribution frequency | Annually |

| RG240 Exposure analysis | |
|--------------------------------------|---------------------------|
| Position | % of net invested capital |
| Australian listed equities | 96.4 |
| International listed equities | - |
| Exchange traded derivatives | -17.4 |
| Over-the-counter derivatives | - |
| Cash equivalent investments | 3.6 |
| Net equity exposure | 79.0 |
| Gross equity exposure | 127.7 |

| Fund features |
|--|
| Variable Beta: The flexibility to reduce market exposure to cushion falls. |
| Alpha extension: The flexibility to borrow long and sell short. This increases the available opportunity to add value. |
| Experienced investment professionals: access to experienced investment professionals with over 20 years of experience. |
| Proprietary research model: WaveStone undertake significant proprietary research to identify quality businesses that display sustainable competitive advantage. |
| Capture growth: access to a portfolio that has the potential to provide long-term capital growth. |
| Tax benefits: aims to deliver low fund turnover and pass through tax benefits (franking credits) to its investors. |

During the period there have been no changes to key service providers for the Fund including any changes to any related party arrangement. Additionally, there have been no material changes in the Fund's investment team, risk profile, or strategy, nor to the individuals who play a key role in the investment decisions for the Fund.

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