



HUNTER HALL INVESTMENT MANAGEMENT LIMITED

ABN 69 063 081 612

29 May 2015

Dear Investor,

Hunter Hall is pleased to announce the new fee structure for the Hunter Hall Australian Value Trust. These changes were approved at a unitholder meeting held on 1 April 2015 and took effect immediately following that meeting.

Summary of Changes

	<u>Before the Change</u>	<u>After the Change</u>
Management Fee	1.85% p.a.	1.00% p.a.
Reimbursable Expenses	No cap	Cap of 0.35% p.a.
Benchmark	S&P/ ASX Small Ordinaries Accumulation Index	No Change
Performance Hurdle	Benchmark	Benchmark + 1 %p.a.
Performance Fee	15% of performance above hurdle	No Change
Performance Fee Deficit	\$9m	\$0

- The new fee of 1.00% p.a. places the Fund in the bottom quartile of management fees charged by retail funds in this sector.
- The maximum amount of reimbursable expenses will be limited to 0.35%p.a. further improving the costs of the fund to unitholders.
- The performance fee hurdle was increased so that the Fund must generate a performance (net of all costs) of 1% above the S&P/ ASX Small Ordinaries Accumulation Index. This means that the Fund must have a gross performance of greater than the benchmark +2% before a new performance fee can accrue. This is one of the most demanding performance hurdles set by any fund with a Performance Fee in the Australian Small Cap universe.

Yours faithfully,

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