

24 August 2020

Dear Investor,

Fund name: NovaPort Smaller Companies Fund

Correction to performance fee disclosure in the NovaPort Smaller Companies Fund Product Disclosure Statement

We refer to your investment in the Novaport Smaller Companies Fund (ARSN 094 601 475, APIR HOW0016AU) (**the Fund**). After a recent review of the Fund's Product Disclosure Statement (**PDS**), we have identified a minor error relating to the cap that may be applied to the performance fee charged. Details of this error and any impacts are outlined below.

What is a Performance Fee Cap?

The Fund may charge a performance fee. The performance fee is calculated as 20% of the difference between the Fund's daily return (after fees and expenses and after adding back any distributions paid) and the Performance Fee Benchmark (which is the daily return of the S&P/ASX Small Ordinaries Accumulation Index).

Any performance fee payable is subject to a cap of 2% p.a. of the Fund's net asset value. Any positive performance fee amount above the cap will not be payable, will not be reflected in the Fund's unit price and will not be carried forward to the next performance fee period.

Disclosure error in PDS

The Fund's PDSs issued between 1 March 2017 and 29 June 2019 incorrectly stated that the cumulative performance fee amount was capped at 2.00% of the Fund's gross return p.a. (**Incorrect Cap**). This was an error as the cumulative performance fee amount was intended to be capped at 2.00% p.a. of the Fund's net asset value (**Correct Cap**).

Incorrect disclosure (included in the Fund's PDSs issued between 1 March 2017 to 29 June 2019)	Correct disclosure (amended in updated PDS issued 6 August 2020)
The performance fee is capped at 2% of the Fund's gross return p.a.	A cap of 2% of the net asset value of the Fund per annum applies to the Cumulative Performance Amount on any given business day (Cap).

What impact does this have on your investment?

When applied, the Incorrect Cap would have likely resulted in a lower amount able to be charged to investors. That is, the cumulative performance fee, if charged, could have been higher under the Correct Cap than under the Incorrect Cap.

The performance fee cap is only applied when the cumulative performance fee amount is positive. Since 1 March 2017, the Fund has not outperformed its Performance Fee Benchmark and as such, has only had a negative cumulative performance fee amount. Therefore, there has been no opportunity to apply the Incorrect Cap.

As a result, there has been no adverse financial impact to investors who invested under the PDSs issued between 1 March 2017 and 29 June 2019.

Notice period to allow the use of the Correct Cap

As mentioned above, the application of the Correct Cap (instead of the Incorrect Cap) could have the effect of increasing the amount of performance fee payable by investors. As such, please accept this letter as notice that we will apply the Correct Cap with effect from 24 September 2020 (assuming the Fund has a cumulative positive performance fee) and that this change may result in a higher performance fee that may be charged.

Please note, as previously mentioned, the Fund currently has a negative cumulative performance fee amount accrued. This negative amount will need to be offset by future positive performance fee amounts before any performance fee may become payable.

Updated PDS

We have re-issued the Fund's PDS with the correct details relating to the Performance Fee Cap. The updated PDS can be found at www.fidante.com/investment-managers/novaport-capital

Further information

We apologise for any inconvenience this disclosure error may have caused. Please note, there is no change to the Fund's daily performance fee calculation, investment objective, benchmark (S&P/ASX Small Ordinaries Accumulation Index), or how the Fund is managed.

If you have any questions regarding your investment in the Fund please contact your financial adviser, visit our website www.fidante.com.au or call our Investor Services team on 13 51 53 or +61 2 9994 7000 from outside Australia, during Sydney business hours.

Yours sincerely



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