

IMPORTANT NOTICE¹

28 SEPTEMBER 2018

UPDATE TO PRODUCT DISCLOSURE STATEMENT FOR THE AUSCAP LONG SHORT AUSTRALIAN EQUITIES FUND

This website notice is issued by Auscap Asset Management Limited (ABN 11 158 929 143 AFSL 428014) (**Auscap**) as the Responsible Entity of the Auscap Long Short Australian Equities Fund (ARSN 615 542 213) (**Auscap Fund**). This notice relates to the Product Disclosure Statement dated 30 September 2017 (as supplemented by a Supplementary Product Disclosure Statement dated 30 March 2018) for the offer of units in the Auscap Fund (**PDS**).

Capitalised terms not otherwise defined in this notice have the meanings given to them in the PDS.

Updated Information – Fees & Other Costs

The purpose of this notice is to advise investors about the following updated fees and costs information for the financial year ended 30 June 2018 (**FY18**):

| PDS section | Updated information for FY18 |
|---|---|
| Indirect Costs, pages 4 & 26 Expenses, pages 27-28 | <p>Expenses The expenses for FY18 were 0.07% of the Fund's average NAV.</p> <p>Other indirect costs For FY18 this was nil.</p> |
| Performance Fee, page 27 | As Auscap cannot accurately forecast the performance of the Fund, it is not possible to provide a reliable estimate of the Performance Fee in any given year. However, an estimate can be provided based on various assumptions that might represent a typical ongoing Performance Fee. Accordingly, assuming a 10.3% net investment return before any Performance Fee achieved for the year and a Hurdle Rate of 2.0% during the year, the Performance Fee may be \$1,565 per annum on an average account balance of \$100,000 during the year. The 10.3% net investment return reflects the 5 year average of the ASX All Ordinaries Accumulation Index through to 30 June 2018 and the 2.0% Hurdle Rate is the 5 year average of the RBA Cash Rate through to 30 June 2018. The actual Performance Fee payable in any given year will be reflected in the Fund's management costs for that year. |

¹ This notice is provided pursuant to ASIC Corporations (Updated Product Disclosure Statements) Instrument 2016/1055

| | |
|---|--|
| Transactional and operational costs, page 28 | The estimated total transactional and operational costs incurred for FY18 were 0.19% of the Fund's average NAV. Approximately 0.11% of this amount was recovered through the "buy/sell spread" charged to Unitholders, resulting in estimated net transactional and operational costs for FY18 of 0.08% of the Fund's average NAV. This amount excludes the net borrowing costs incurred by the Fund in FY18 which are discussed below. |
| Borrowing costs, page 28 | Net borrowing costs associated with the Fund's borrowing of money and securities reduced the Fund's return in FY18 by an estimated 0.14% of the Fund's average NAV. |
| Example of annual fees and costs for the Auscap Fund, page 30 | <p>For FY18:</p> <ul style="list-style-type: none"> • the indirect cost ratio of the Fund was 4.15% of NAV <p>This comprises:</p> <p>Management Fee of 1.54% of NAV</p> <p>Indirect costs of 0.07% of NAV</p> <p>Performance Fee of 2.53% of NAV</p> <ul style="list-style-type: none"> • Replace references to "\$1,650" with "\$4,150" • Replace references in footnote 1 to 30 June 2017 with 30 June 2018 |

Disclaimer

You should consider the information in the PDS for the Auscap Fund and this website notice before deciding to invest in the Auscap Fund. The information in the PDS and this website notice is general information only and does not take into account your investment objectives, financial situation or particular needs. You should obtain independent, professional advice tailored to your own circumstances before investing in the Auscap Fund. Nothing in the PDS or this website notice is a recommendation by Auscap or any other affiliate or person in relation to the Auscap Fund. A copy of the PDS can be obtained at www.auscapam.com/auscap-fund/pds/ or by calling Auscap on +61 2 8378 0800.