

Update of information

Date of issue – 12 October 2020

Ardea Global Alpha Fund (ARSN 609 079 174) (APIR HOW0162AU) (previously known as the Ardea Real Outcome Plus Fund (the Fund))

This continuous disclosure notice updates important information about the Fund and its investments.

Following a review of the Fund and its investments, we have implemented a series of enhancements to the Fund which better aligns it with the Fund manager's (Ardea Investment Management Pty Ltd (ABN 50 132 902 722, AFSL 329828) (Ardea) strength and core value proposition of relative value investing, that came into effect on 12 October 2020 and are detailed further below.

Except as otherwise stated, defined terms in this document have the same meanings as set out in the product disclosure statement (PDS) for the Fund.

1. Change to the investment objective of the Fund

After a review of the Fund in light of current market conditions, the Fund's investment objective has changed to a cash-based objective, that targets a Cash +2% per annum over the short and long-term timeframes. We believe this change better aligns the Fund with Ardea's core value proposition of absolute return relative value strategies and ensures the Fund's return generation is consistent with the risk tolerance of the strategy.

Previous investment objective	New investment objective effective from 12 October 2020
To provide a minimum return of Consumer Price Index (CPI) plus 3.5% - 4.5% p.a. over short and long-term investment timeframes.	To provide a minimum return of Cash plus 2% p.a. over short and long-term investment timeframes.

2. Change to the benchmark of the Fund

To align the benchmark of the Fund with the new investment objective, the Fund's benchmark has changed as outlined below.

Previous benchmark	New benchmark effective from 12 October 2020
Consumer Price Index	Bloomberg AusBond Bank Bill Index

3. Change to the investment universe of the Fund

After a review of the Fund's current allowable investment universe in light of Ardea's core value proposition and extensive experience with relative value investing, the Fund will no longer have exposure to corporate securities. While the exposure to corporate securities has provided positive returns to the Fund over most periods, analysis shows the Fund could have had higher returns had it had the option to reallocate portions invested in corporate securities to, for example, relative value trades in which Ardea has a lot of experience.

In addition, to increase investment opportunities for the strategy, the 25% cap on offshore global bonds has been removed. This will provide Ardea more flexibility to implement its more focused relative value strategy.

Consistent with the move to a more focused absolute return cash-based investment objective, we have removed the requirement to maintain 2 years inflation duration. Ardea believe that this will provide materially more flexibility in managing the portfolio by allowing a re-allocation to relative value trades which Ardea believe will lead to a higher return for the given level of risk. We expect the return profile of the Fund to comfortably continue to exceed CPI.

Previous investment universe	New Investment Universe effective from 12 October 2020
<p>The Fund primarily invests in high quality, liquid Australian and global government bonds, semi-government bonds, corporate securities, interest rate derivatives, and short term money market instruments.</p> <p>The Fund may have up to 25% exposure to direct offshore global bonds.</p> <p>In addition, the Fund may also use derivatives to gain additional exposure to non-Australian interest rates. The Fund's net cash and derivative value will not exceed 10% of the NAV. The Fund is also allowed to enter into repurchase agreements. A repurchase agreement is a money-market instrument generally used to raise funds in the short term. A party will sell a government security (such as a government bond), and will then buy the security back at a pre-agreed price in the near future.</p>	<p>The Fund primarily invests in high quality, liquid Australian and global government bonds, semi-government bonds, interest rate derivatives, and short term money market instruments.</p> <p>In addition, the Fund may also use derivatives to gain additional exposure to non-Australian interest rates. The Fund's net cash and derivative value will not exceed 10% of the NAV. The Fund is also allowed to enter into repurchase agreements. A repurchase agreement is a money-market instrument generally used to raise funds in the short term. A party will sell a government security (such as a government bond), and will then buy the security back at a pre-agreed price in the near future.</p>

4. Change to the Risk Level of the Fund

In light of the changes to the investment universe, the Fund's risk level has decreased from "Low" to "Very Low Risk". Description of the new risk level is provided below.

Previous risk level	New Risk Level
Low risk	Very low risk - The Fund's anticipated risk level is 'Very low risk' - the Fund has the potential to offer capital stability over the long term but with potentially lower returns compared to other investments. The estimated number of negative annual returns in any 20-year period based on this risk level is approximately less than 0.5. Note that this is an estimate only.

5. Change to the Strategic Asset Allocation Ranges

To better reflect the changes to the investment universe of the Fund outlined above, the Fund's strategic asset allocation range has been amended as outlined below.

New Strategic asset allocation ranges		
Asset Class ¹	Min (%)	Max (%)
Government bonds ²	75	100
Derivatives ²	0	25

¹ If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment, cause the Fund to move outside these ranges, this will be addressed by us or Ardea as soon as reasonably practicable.

² Calculations are based on the gross market value of government bond holdings and the absolute net market value of derivative holdings.

6. Change to the Fund's name

To better reflect the changes to the Fund as outlined above, the Fund's name has changed as outlined below.

Previous Fund name	New Fund name effective from 12 October 2020
Ardea Real Outcome Plus Fund	Ardea Global Alpha Fund

7. Reduction in Management Fee

As part of this Fund review, we have made the decision to reduce the Fund's management fee from 0.60% p.a. to 0.50% p.a. of the Fund's net asset value.

Previous Management fee	New Management fee effective from 12 October 2020
0.60% p.a. of the net asset value of the Fund. The Management Fee is calculated and accrued daily and paid monthly in arrears from the Fund's assets on or around the last business day of the month.	0.50% p.a. of the net asset value of the Fund. The Management Fee is calculated and accrued daily and paid monthly in arrears from the Fund's assets on or around the last business day of the month.

8. Buy/Sell Spread

As at the date of this notice, the buy/sell spread for the Fund is +0.05%/-0.05% .

Current Buy/Sell Spread
The current buy/sell spread for the Fund is +0.05%/-0.05%. This may vary from time to time and we will provide notification of any changes on our website.

Where can I find out more information?

For updated information about the Fund, please contact your financial adviser, visit our website www.fidante.com.au or call our Investor Services team on 13 51 53, during Sydney business hours.

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