

29 November 2019

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Dear Investor,

**Celeste Australian Small Companies Fund (Fund) – Product Disclosure Statement (PDS)
Notification of Reduction in Management Fee; Changes to Fund Objective & Portfolio Metrics**

As Responsible Entity of the Fund, we hereby advise of changes that will take effect with the issuance of the Fund's new Product Disclosure Statement on Friday, 6 December 2019.

The changes to the Fund will be:

1. A reduction in the Fund's management fee from 1.2% p.a. to 1.1% p.a.;
2. A change to the Fund's investment objective; the new investment objective of the Fund will be "to produce returns which exceed the Benchmark over rolling five year periods (after fees and expenses and before taxes)"¹;
3. An increase in the diversification of the Fund's portfolio, with the maximum number of securities in the portfolio increasing from "generally 40" to "generally 50"; and
4. Removal of the 5% restriction to stocks with market capitalisation of less than \$50 million².

These changes are intended to bring the Fund more in line with comparable funds in the marketplace.

If you have any questions about these changes, please do not hesitate to contact Stephen Hanich from Celeste Funds Management Limited on (02) 9216 1890 or via email to stephen@celestefunds.com.au.

Any escalation of questions can also be made to Alex McAlister from the Responsible Entity via email to Alex.McAlister@perpetual.com.au.

Yours sincerely,



Alex McAlister
The Trust Company (RE Services) Limited

¹ The current investment objective of the Fund "is to produce returns which exceed the Benchmark by 5% p.a. over rolling three year periods (after fees and expenses and before taxes)"

² The Fund currently has no exposure to stocks with a market capitalisation of less than \$50 million, nor does the Investment Manager have any intention of purchasing stocks with a market capitalisation of less than \$50 million. The Investment Manager wishes to remove this restriction purely as it causes confusion in the market, with some investors mistaking the Fund as a micro-cap fund.