



ASX/MEDIA RELEASE

26 September 2014

OVERHEAD EFFICIENCY REVIEW – REDUCTION IN MANAGEMENT FEES

Dear Shareholders,

We are delighted to inform you that we have received correspondence from Katana Capital's investment manager, Katana Asset Management Ltd (KAM) offering to reduce their annual management and performance fees.

This follows on from the recent successful placement and rights issue, which has increased the funds under management by approximately 30%.

As a result of this increase, KAM believe that they can continue to provide the same level of investment management service and performance at a lower net cost to shareholders. KAM believe that this is the right thing to do to benefit all shareholders and that now is the right time to do it given the increasing assets under management.

At KAM's request, the fees will be reduced retrospectively from 1 July 2014 as follows:

- the management fee will reduce by 20% from 1.25% pa to 1.0% pa
- the performance fee (which is based only on any out-performance greater than the All Ords Index) will be reduced by 19% from 18.5% to 15.0%.

Together with the support of the board, KAM has undertaken a thorough review of all costs and has identified 3 additional avenues to reduce costs, with these cost efficiencies likely to be implemented during the current calendar year.

The Board recognises that this action was completely voluntary and initiated by KAM. The Board would henceforth like to take this opportunity on behalf of all shareholders to thank KAM and look forward to further reducing costs over the coming months.

- ENDS -

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