9 April 2018
ASX Announcement

Valuation and Fee Statement

Following recent market discussion of portfolio valuations of other real asset managers, particularly those also invested in water assets, the Board of Duxton Water Limited ("the Company" "Duxton Water") seek to provide the market with transparency regarding these matters in relation to the Company. The below is not new information to the market; but is restated here to provide clarity to our investors on management fees and performance fees.

Portfolio Valuation
The portfolio of Water Entitlements held by Duxton Water is independently valued, on a monthly basis, by Aither Pty Ltd ("Aither"). Aither take a fair market value approach, which is considered by the Board to better align the Net Asset Value (NAV) with the current water pricing.

Management Fee and Performance Fee
Duxton Capital (Australia) Pty Ltd ("the Investment Manager"), is the Investment Manager for the Company.

The Investment Manager receives a Management Fee of 0.85% p.a. of the Net Asset Value (NAV) of the Company.

Also payable to the Investment Manager is a Performance Fee (subject to a high watermark) of;

- 5% p.a. on annual returns above 8%, and;
- 10% p.a. on annual returns above 12%.

The Investment Manager is also paid for reimbursable costs. This was detailed in Duxton Water Limited's prospectus which can be found on the Company website.

Performance to Date
At 31st of March 2018, as stated in the monthly update, the Company's Net Asset Value was $1.23 per share on issue at that date.

Since listing, the Company has achieved a:

- NAV return of 14.90%;
- NAV return plus dividends, excluding franking credits, of 17.05%;
- NAV return plus dividends, including franking credits of 17.53%.

Please feel free to contact the Company should you have any queries regarding the above.

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