

2 March 2015

Announcement – Notice to Unitholders in the Mosaic Funds

A proposal has been put forward by Mosaic Portfolio Advisers Limited ABN 13 108 747 637 as Responsible Entity for the funds listed below to appoint IOOF Investment Management Limited ABN 53 006 695 021 as its replacement on 31 March 2015.

- Strategic Cash Plus Fund ARSN 158 867 308;
- Strategic Australian Equity Fund ARSN 133 312 820;
- Strategic International Equity Fund ARSN 133 308 219;
- Strategic Global Property Fund ARSN 133 312 571;
- Strategic Fixed Interest Fund ARSN 151 280 723;
- Foundation Assertive Fund ARSN 115 121 661;
- Foundation Balanced Fund ARSN 115 121 689;
- Foundation Conservative Fund ARSN 115 121 796;
- Specialist Income Fund ARSN 097 160 748;
- Specialist Australian Small Companies Fund ARSN 115 121 625;
- Specialist Global Shares Fund ARSN 115 121 643;
- Specialist Property Fund ARSN 115 121 563; and
- Specialist Dynamic Allocation Fund ARSN 143 234 262

(collectively, the 'Funds')

The Australian Securities and Investment Commission (ASIC) has granted relief to Mosaic Portfolio Advisers Limited from the requirement to hold a meeting of unitholders in the Funds to vote on this proposal, as normally required under the Corporations Act 2001. The relief instead requires the current Responsible Entity of the Funds to notify unitholders of the proposal and give them 21 days in which to request a vote on the proposal including the choice of replacement responsible entity.

On 2 March 2015, investors who hold units in the Funds were sent correspondence about the proposed change of the Responsible Entity for the Funds.

This included:

- a 'Notice to Unitholders of Proposed Change of Responsible Entity', and;
- the 'Request for a Vote' form.

The correspondence explained that one of two pre-conditions must be met before Mosaic Portfolio Advisers Limited is required to arrange a vote of unitholders in the Funds to vote on a resolution for the choice of proposed Responsible Entity. These pre-conditions are*:

- The number of unitholders of a Fund who make a request for a vote is 5% or more (by value) of the total units in the Fund;
- 100 or more unitholders in the Fund (by number) request for a vote on the proposal.

* These pre-conditions are limited to requests returned by unitholders in the Fund(s) who would be eligible to vote if the proposal was put as a resolution to a meeting of unitholders in the Fund(s).

Written notice of a request for a vote must be made using the 'Request for a Vote' form provided with the 'Notice to Unitholders of Proposed Change of Responsible Entity'.

Written voting requests must be completed and returned (as directed) within 21 days from the issue date (i.e. received no later than 4.00pm on 23 March 2015).

If neither of the pre-conditions are met, Mosaic Portfolio Advisers Limited will request that ASIC change the record of registration and appoint IOOF Investment Management Limited as the replacement responsible entity for the relevant Funds, effective 31 March 2015.