

15 February 2019

## UPDATED PRODUCT INFORMATION

### Recommencement of unit pricing for the below IOOF Funds

- **WealthBuilder Balanced Fund**
- **WealthBuilder Capital Stable Fund**
- **WealthBuilder High Growth Fund**
- **WealthBuilder Australian Shares Fund**
- **WealthBuilder High Conviction Shares Fund\***
- **Deferred Annuity - Managed**
- **Deferred Annuity - Capital Stable Fund**
- **Flexi Trust - Balanced Funds (Fee Option 1 & 2)**
- **Flexi Trust - Growth Shares Fund^**

This notice is an update to the communication issued 1 February 2019 regarding the temporary unit price suspension (which was effective 30 January 2019). We confirm that unit pricing resumed effective 7<sup>th</sup> February 2019 for the Flexi Trust Funds and 8<sup>th</sup> February 2019 for the other IOOF Funds listed.

Any transactions that were received during the suspension period have now been processed at the unit price struck on the 7<sup>th</sup> or 8<sup>th</sup> of February as noted above. Unit pricing and transaction processing times have now resumed as normal.

#### Changes to Australian equity asset exposure

The above IOOF Funds were impacted by the unexpected fund terminations at Janus Henderson Investors (Australia) Funds Management Limited (**Janus Henderson**). As such, the IOOF Funds required a replacement Australian equity manager/underlying fund to retain their existing asset exposures.

IOOF Investment Management Limited (the Investment Manager of the Funds), has selected the Acadian Wholesale Australian Equity Fund (**Acadian Fund**) as the suitable alternative in place of Janus Henderson.

#### How does this impact your investment?

The Acadian Fund fits within the broad authorised investment parameters, providing appropriate broad based Australian equity asset exposure. Excluding the WealthBuilder High Conviction Shares Fund (**WBHC**) and Flexi Trust Growth Shares Fund (**FTGS**), there are no changes to the general strategy or to the nature of investments in the above Funds.

Investors in the WBHC and FTGS will be sent a separate communication detailing the changes to their investments. A summary of the changes are as follows:

#### \* **WealthBuilder High Conviction Shares Fund**

An identical high conviction/concentrated Australian equity fund that aligns with disclosed investment parameters for the WBHC Fund, could not be sourced. As such, the Acadian Fund was selected as the most suitable alternative.

This change impacts the disclosed investment strategy for the WBHC Fund. As such, the Fund name has been changed to more closely align it with its underlying assets, including a reduction in management cost from 1.80%pa to **1.50% pa** as detailed below.

Note, the WBHC Fund is a closed legacy fund, however existing investors can continue to invest or may choose to switch between the other WealthBuilder investment options at any time without impacting the tax status of their investment or the 125% rule.

### IOOF WealthBuilder Australian Broad Based Shares Fund

*(previously IOOF WealthBuilder High Conviction Shares Fund)*

Revised strategy - effective 8 February 2019	
<b>Fund name</b>	<b>IOOF WealthBuilder Australian Broad Based Shares Fund</b>
<b>Objective</b>	To grow the value of your investment over the long term by investing in a diversified portfolio of broad based Australian shares.
<b>Strategy</b>	<p>The Fund gains its investment exposure by investing in a diversified portfolio of listed securities found on the Australian Stock Exchange (ASX).</p> <p>The investment manager utilises a disciplined and risk-controlled quantitatively driven investment process that seeks to add value primarily from bottom-up security selection with the remaining amount from top-down drivers. Bottom-up analysis consists of utilising a range of factors including valuation, quality, earnings, size and price momentum, whilst from a top-down perspective, valuation, quality, technical and economic indicators are used but are obviously customised to the Australian market.</p>
<b>Benchmark</b>	S&P/ASX 300 Accumulation Index
<b>SAA</b>	Australian shares 95 -100% Cash 0 - 5%
<b>Reduced management cost (% pa)<sup>1</sup></b>	<b>Management cost: 1.50</b> <i>(including the automatic rebate): 1.10</i>

### ^Flexi Trust Growth Shares Fund

The following amendments have been made to the strategy of the FTGS which more broadly aligns it with its underlying assets, including a reduction in the management cost from capped 1.74% pa to 1.54% pa.

Revised strategy - effective 7 February 2019	
<b>Flexi Trust Fund</b>	<b>IOOF Growth Shares Fund</b>
<b>Strategy</b>	<p>The Fund gains its investment exposure by investing in a diversified portfolio of listed securities found on the Australian Stock Exchange (ASX).</p> <p>The investment manager utilises a disciplined and risk-controlled quantitatively driven investment process that seeks to add value primarily from bottom-up security selection with the remaining amount from top-down drivers. Bottom-up analysis consists of utilising a range of factors including valuation, quality, earnings, size and price momentum, whilst from a top-down perspective, valuation, quality, technical and economic indicators are used but are obviously customised to the Australian market.</p>
<b>Reduced capped management cost (% pa)<sup>1</sup></b>	<b>1.54</b> <i>(previously 1.74)</i>

<sup>1</sup> Changes to the management costs and buy/sell spreads were effective 30 January 2019.

## Reduction to buy/sell spreads

As a result of the Australian equity asset changes, the following reduction in buy/sell spreads apply:

Fund	Previous buy/sell spread %	Revised buy/sell spread % <sup>1</sup>
WealthBuilder Balanced Fund	0.23/0.23	0.18/0.18
WealthBuilder Capital Stable Fund	0.09/0.09	0.08/0.08
WealthBuilder High Growth Fund	0.28/0.28	0.23/0.23
WealthBuilder Australian Shares Fund	0.30/0.30	0.25/0.25
WealthBuilder Australian Broad Based Shares Fund (previously: <i>WealthBuilder High Conviction Shares Fund</i> )	0.30/0.30	0.20/0.20
Flexi Trust - Balanced Funds (Fee Option 1 & 2)	0.21/0.21	0.18/0.18
Flexi Trust - Growth Shares Fund	0.30/0.30	0.20/0.20

## More information

The information in this product update is general information only and does not take into account your personal financial situation or needs. If you have any questions about the information contained, please:

- speak to your financial adviser
- call our Investor Services Team on 1800 002 217, or
- email us at [investorservicesemails@ioof.com.au](mailto:investorservicesemails@ioof.com.au)

---

<sup>1</sup> Changes to the management costs and buy/sell spreads were effective 30 January 2019.