



May 2012

IOOF Flexi Trust – Balanced Funds

Enhancements to strategic asset allocation ranges and target allocations

Perennial Investment Partners Ltd (Perennial), the underlying investment manager for the IOOF Flexi Trust Funds, implemented a change to the strategic asset allocation for the **IOOF/Perennial Balanced Fund Fee Options 1 and 2** (Funds). As a result of this change, the Funds' exposure to international fixed interest has been reduced to zero and reallocated to Australian fixed interest and cash as detailed below:

IOOF/Perennial Balanced Fund Fee Options 1 and 2

| Asset class | Prior to 7 March 2012 | | From 8 March 2012 | |
|--|-----------------------|--------------------|-------------------|--------------------|
| | Asset range* | Target allocation* | Asset range* | Target allocation* |
| Cash | 0-22.5% | 2.5% | 0-25% | 5.0% |
| Australian fixed interest | 12.5-32.5% | 22.5% | 17.5-37.5% | 27.5% |
| International fixed interest | 7.5% | 7.5% | 0% | 0% |
| Australian listed property securities | 5.0% | 5.0% | 5.0% | 5.0% |
| International listed property securities | 5.0% | 5.0% | 5.0% | 5.0% |
| Australian shares | 25-45% | 35% | 25-45% | 35% |
| International shares | 22.5% | 22.5% | 22.5% | 22.5% |

The decision to change the strategic asset allocation follows Perennial's assessment of the risk versus return benefit of international fixed interest relative to Australian fixed interest. Based on its assessment, Perennial believes that over the medium term the international fixed interest sector carries an increased and higher risk of capital loss than the Australian fixed interest sector. This view reflects the much higher levels of government debt held by foreign governments compared to the Australian government.

It is important to note that the above enhancements do not alter the overall strategy or risk profile of the Funds.

For further information about these changes, please speak with your financial adviser, contact our client services team on **1800 002 217** or email us at info@ioof.com.au.

* Asset ranges and target allocations may move outside the specified percentages from time to time.