



29 June 2018

**IOOF Cash and Income Fund (ARSN 087 727 277)
Notification of proposal to wind-up**

We are writing with important information regarding your investment in the IOOF Cash and Income Fund **(the Fund)**.

Current status and proposed wind-up

The Fund forms part of a legacy suite of retail IOOF Flexi Trust managed investment schemes. With the greater choice and price competitiveness of investments offered through master trust investment and superannuation platform products, the interest in individual retail managed investment schemes (such as the Fund), steadily declined. As such, the Fund was closed to new investors in 2013, due to diminishing demand.

The majority interest in the Fund is currently held by IOOF Investment Management Ltd (**IOOF**), in its institutional capacity as Trustee and Service Operator of IOOF's platform products. The balance minority interest in the Fund is held by a small number of remaining direct unitholders.

As part of broader business and product integration plans, IOOF will be redeeming its holding in the Fund. A significant redemption of this size will result in a low level of assets remaining in the Fund. With the Fund closed to new business and this significant redemption, the underlying asset exposure of the Fund is reduced to a sub-optimal position. Operating a closed Fund of sub-scale with the retail level fees associated is not considered viable, nor in the interests of the small number of remaining unitholders.

As the Fund can no longer be suitably managed to meet its return objectives, its purpose cannot be achieved. On this basis, and in consideration of the interests of remaining unitholders, the Responsible Entity has proposed that the Fund be wound-up, effective 31 August 2018, with redemption proceeds on wind-up paid to all unitholders.

What are your rights?

Whilst the Responsible Entity believes it is in the best interests of unitholders to wind-up the Fund, as a unitholder you have the right to call a unitholders' meeting to consider the proposed wind-up. You can do this by contacting us using the details at the end of this letter.

Unless a meeting is called by unitholders within 28 days of the date of this letter, which is 27 July 2018, the Responsible Entity will commence the wind-up process shortly after this date.

We will keep you informed during this period via updates found on our website at www.ioof.com.au/forms/ioof_trusts/flexi_trust.

Considering IOOF's majority holding and interest in the Fund in its capacity as Trustee and Service Operator, it will excuse itself from voting at any meeting that may be called by unitholders for this resolution.

What is the process?

On the basis no unitholder meeting is called by 27 July 2018, we will start the liquidation process, with cash proceeds from the realised assets of the Fund, paid to all unitholders effective 31 August 2018. Given the liquid nature of the Funds' assets and its stable unit price, we anticipate that proceeds should be available to unitholders shortly after 31 August 2018.

Allocation of wind-up proceeds

Payment will be made as per your current instructions with us. If you wish to amend these details please, call our Client Service Team on 1800 002 217.

Once complete, we will send you a statement as confirmation that the wind-up proceeds have been paid and the Fund's wind-up has been finalised.

Taxation

Details in respect of the taxation components of your payment, will be included in the next financial year's Attribution MIT Member Annual (AMMA) tax statement for 2018/19.

We recommend that you speak to your tax or financial adviser about your individual circumstances.


Where to go for more information?

If you have any questions about the information contained in this letter, please:

- speak to your financial adviser
- call our client services team on 1800 002 217
- email us at info@ioof.com.au, or
- visit the IOOF website at www.ioof.com.au

Thank you for your support of IOOF.

Yours sincerely



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