



29 March 2016

**IOOF Mortgage Fund (ARSN 087 726 976)  
Notification of proposal to terminate**

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

**Current status and implications**

The Fund has been closed to new investors for over a decade, following the sale of the IOOF Building Society, the originator and source of direct mortgages for the Fund. Without their direct mortgage management expertise, the process for sourcing quality mortgages became increasingly difficult.

Whilst the Fund's asset exposure has continued to be managed in line with its authorised investments, without the ability to source new residential mortgages, the Fund's direct mortgage exposure has gradually reduced over the years to the point that IOOF Investment Management Limited (**IIML**), as the Responsible Entity of the Fund (**RE**), believes the Fund can no longer be managed in accordance with its original purpose, strategy, nor meet its return objectives.

In addition, given its reducing size, low level of FUM and minimal support, IIML has determined that it is no longer viable, nor in investors best interests to continue to manage the Fund under these circumstances and proposes the Fund be wound-up effective 30 April 2016, with redemption proceeds on termination paid to unitholders.

**What are your rights?**

Whilst IIML as the RE, believes it is in the best interests of investors to wind up the Fund, as a unitholder you have the right to call a unitholders' meeting to consider the proposed termination.

Unless a meeting is called by unitholders within 28 days of the date of this letter which is 26 April 2016, 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](http://www.ioof.com.au).

### What is the process?

On the basis no unitholder meeting is called, we will suspend transactions to and from the Fund from 27 April 2016. We will start to realise the assets of the Fund and the cash proceeds from the realised assets will be distributed to investors. Given the nature of the assets held in the Fund and its' stable unit price, we anticipate that proceeds should be available to unitholders by around early May 2016.

### Allocation of wind-up proceeds

Payment will be made as per your current instruction to 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 the wind-up proceeds have been paid and the Fund's termination has been finalised.

### Taxation

A tax statement will be sent to you after 30 June 2016. We therefore 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 [clientservices@ioof.com.au](mailto:clientservices@ioof.com.au), or
- visit the IOOF website at [www.ioof.com.au](http://www.ioof.com.au)

Thank you for your support of IOOF.

Yours sincerely



Renato Mota

Group General Manager – Wealth Management