

22 June 2018

[name]
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Changes to the Specialist Funds

Account No(s):

We are writing to notify you of upcoming changes to the following Specialist funds:

- **Specialist Australian Small Companies Fund ARSN 115 121 625;**
- **Specialist Global Shares Fund ARSN 115 121 643; and**
- **Specialist Income Fund ARSN 097 160 748**

(Collectively, the 'Funds')

As an investor in one or more of the Funds, we wanted to let you know what these changes mean for your investment.

What is changing?

Effective from 31 July 2018, the Funds' investment portfolios will be enhanced, providing a greater exposure to specialist underlying fund managers. As a result, the investment profiles of the Funds will be amended reflecting updated investment objectives, changes to certain fund names to more closely align them with their strategies, as well as changes to the fees and costs.

Overall, the modifications allow for greater investment exposure to specialist niche strategies, boutique managers that are early in their lifecycle and a diversity of style and investment processes in order to achieve desired risk/return outcomes, at competitive management costs.

The following table outlines a summary of the changes, however a new Product Disclosure Statement (PDS) will be available from 31 July 2018 reflecting the key updates to the Funds' investment profiles.

	Current fund description	Revised fund description
Fund name	Specialist Australian Small Companies Fund	Specialist Australian Shares Fund
Estimated management costs	0.96% pa + performance-related fee of 0.50% ¹	0.80% pa + performance-related fee of ~0.36% pa ¹
Estimated buy-sell spread²	0.25%-0.25%	0.25%-0.25%
Objective	To provide exposure to listed Australian companies outside the S&P/ASX 100 Index and produce investment returns which aim to outperform the S&P/ASX Small Ordinaries Accumulation Index by 5% over rolling three year periods (after fees and expenses).	To provide exposure to a diversified portfolio of Australian shares and produce investment returns which aim to outperform the S&P/ASX 300 Accumulation Index over rolling five year periods (after fees and expenses).

	Current fund description	Revised fund description
Fund name	Specialist Global Shares Fund	Specialist Global Shares Fund
Estimated management costs	1.26% pa	0.91% pa + performance-related fee of ~0.01% pa ¹
Estimated buy-sell spread²	0.10%-0.10%	0.33%-0.33%
Objective	To provide a level of investment return that is reasonable when compared to both the long-term investment horizon of the Fund and its high level of investment risk.	To provide exposure to a diversified portfolio of international shares and to produce total investment returns after fees which aim to outperform the MSCI All Country World ex-Australia Index (\$A) over a rolling five-year period.

	Current fund description	Revised fund description
Fund name	Specialist Income Fund	Specialist Diversified Fixed Interest Fund
Estimated management costs	0.55% pa	0.50% pa + performance-related fees ¹
Estimated buy-sell spread²	0.15%-0.15%	Nil
Objective	To provide a level of investment return that is reasonable when compared to both the medium term investment horizon of the Fund and the medium level of investment risk.	To provide exposure to a diversified portfolio of fixed income investments and to produce total investment returns after fees which aim to outperform the Fund's benchmark ³ over a rolling three-year period.

¹ Performance-related fees may be charged by some underlying investment managers in the Funds from time to time, when the underlying funds outperform specific performance hurdles. The performance-related fees listed are indicative based on the 30 June 2017 historical information provided by the underlying fund managers. Performance related fees are subject to change without prior notice and may be higher or lower than the figures provided. These fees (if incurred) form part of the total management costs and are incorporated into the daily unit price. Refer to the PDS and website for any updates to fees and costs.

² Refer to the PDS for more information on transaction costs including the buy-sell spread.

³ Composite benchmark: 50% - Bloomberg AusBond Composite 0+Yr Index; 50% - Bloomberg Barclays Global-Aggregate Total Return Index Value Hedged AUD.

Taxation

Investing in registered managed investment schemes, such as the Funds, is likely to have taxation implications which will vary depending on your individual circumstances. Changes to underlying fund managers may result in the realisation of capital gains or losses within that Fund and this may impact on the type of trust income components attributed to you.

The taxation information relating to your investments in the Fund(s), will be reflected in your 2019 Attribution MIT Member Annual (AMMA) statement.

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 admin@mosaicpa.com.au, or
- visit the website at www.mosaicpa.com.au

Yours sincerely



Renato Mota
Group General Manager – Wealth Management