

15 September 2023

Important upcoming changes to the Specialist Property Fund

This document provides updated information for the Product Disclosure Statement (PDS) for the **Specialist Property Fund** (the Fund or Trust) ARSN 115 121 563.

As an investor, or potential investor, in the Fund, we want to let you know what the changes are and why we are making them. The fund profile information page explains how these changes apply to the Fund.

This document should be read in conjunction with the PDS for the Fund available at ioof.com.au/forms. To the extent that the PDS addresses matters set out in this document, those sections of the PDS should be read having regard to the content of this document.

Subject to final implementation review and approval, the changes will be effective from **30 November 2023** and an updated PDS for the Fund will be available from that date.

Why we are making changes

Now that IOOF and MLC are part of one organisation—Insignia Financial¹ - we reviewed our investment offering for alignment and improvement opportunities. As a result, we are making some changes to the product so we can bring you a more contemporary investment offering.

What are the changes?

- **Name of the Fund and branding**

Now that IOOF and MLC are part of one organisation, you will see the brand and name of the Fund change from 'Specialist' to 'MLC MultiActive'— which highlights our active multi manager capability and provides greater clarity on the brand and strategy of the Fund. Over time you will see that change reflected in the branding on our future communications.

- **Investment objective and strategy**

We are clarifying the Fund's investment objective and strategy to provide greater detail on how the Fund is managed.

While we are changing the way the investment objective and strategy is disclosed, the substance of the investment objective and strategy will not change. Accordingly, there is no change to either the risk profile or the nature of the Fund because of this update.

- **Suggested minimum timeframe to invest**

We are updating the current 5+ years suggested minimum timeframe for investment to 7 years, to provide a more specific time period that aligns with the Fund's investment objective.

There is no change to either the risk profile or the nature of the Fund because of this update.

- **Benchmark**

The benchmark is changing to better align with widely adopted industry benchmarks.

This change does not impact investors' investment holdings.

¹ In this communication, IOOF refers to IOOF Investment Services Ltd (the responsible entity of the Trusts) and MLC refers to the MLC Wealth business acquired by Insignia Financial Ltd from National Australia Bank Limited on 31 March 2021. References to 'us' and 'we' used throughout this letter, is a reference to IOOF, as relevant.

- **Change to fees and costs — which will result in a variation in cost to investors**
To ensure the Fund is competitively priced in the marketplace we are decreasing the management fee of the Fund.

Please read the fund profile information page to see how these changes apply to the Fund.

Updated fees and costs information as part of our annual review

Separately to the proposed product changes described above, the fees and costs information in the PDS for the Fund has been updated to reflect the fees and costs information for the financial year to 30 June 2023. The updated fees and costs information can be found at www.ioof.com.au/forms or you can request a copy free of charge by calling or emailing us.

The updated information reflects a variation in the estimated indirect costs and transaction costs incurred by the Fund, which will impact the overall returns investors receive from the Fund.

It is important to note that the update to fees and costs information is not a result of any specific decision we made. Rather, it reflects actual costs incurred by the Fund for the previous financial year (involving estimates where appropriate) and was determined as part of our standard annual review process.

The updated fees and costs are reflected in the fund profile information page in the 'Before 30 November 2023' column.

We are here to help


If you have any questions, please speak to your financial adviser.

You can also call our Client Services team on **1800 002 217** between 8am and 6pm AEST Monday to Friday, or email us at investorservices@insigniafinancial.com.au.

Important information

This information is provided on behalf of IOOF Investment Services Ltd (IISL) ABN 80 007 350 405, AFSL 230703 as responsible entity of the Fund. IISL is a company within the Insignia Financial group which consists of Insignia Financial Ltd (ABN 49 100 103 722) and its related bodies corporate (Insignia Financial Group). The information in this communication is general in nature and provided for information purpose only. It is not intended to provide you with any financial advice or influence your investment decisions. It does not take into account your objectives, financial situation or needs. Because of that, before acting on this information, you should consider its appropriateness, having regard to your objectives, financial situation and needs, plus consider the relevant Product Disclosure Statement (PDS) in deciding whether to acquire or continue to hold an interest in the Fund. The PDS, together with the Target Market Determination for the Fund is available at ioof.com.au. Any projection or other forward looking statement (Projection) in this document is provided for information purposes only. While formed on reasonable grounds, no representation is made as to the accuracy of any such Projection or that it will be met. Actual events may vary materially. Opinions constitute our judgement at the time of issue and are subject to change. This information has been prepared based on information believed to be accurate as at 15 September 2023, however no guarantee of accuracy or reliability is given and to the extent permitted by law, no liability is accepted by IISL or any other company within the Insignia Financial Group for any loss or damage incurred as a result of reliance on the information. Past performance is not a reliable indicator of future performance.

Specialist Property Fund ARSN 115 121 563

	Before 30 November 2023	From 30 November 2023 ¹																				
Fund name	Specialist Property Fund	MLC MultiActive Property																				
Branding	<h1>Specialist Funds</h1>																					
Investment objective	To provide a level of investment return that is reasonable when compared to both the long-term investment horizon of the Fund and the high level of investment risk.	To provide long-term capital growth and income by investing predominantly in a diversified portfolio of listed international and Australian real estate securities, and to achieve a total return after fees in excess of the Trust's benchmark over a rolling seven-year period.																				
Minimum suggested investment timeframe	5+ years	7 years																				
Risk/return profile	High	No change																				
Investor profile	The Fund is intended to be suitable for investors seeking a diversified portfolio of predominantly listed Australian and international real estate securities.	<p>The Trust may be suitable for investors:</p> <ul style="list-style-type: none"> with an investment time frame of approximately seven years with a high level of risk tolerance who are seeking capital growth and income through a well-diversified portfolio of listed international and Australian real estate securities who are prepared to accept the higher levels of volatility typically associated with investments in international and Australian property securities 																				
Investment Strategy	<table border="1"> <tr> <td>Principle investment exposure</td> <td>Diversified portfolio of property-related securities.</td> </tr> <tr> <td>Geographic coverage</td> <td>International, including Australia.</td> </tr> <tr> <td>Currency hedging</td> <td>The Fund may choose to hedge some or all of its exposure. Underlying Fund(s) that the Fund invests in may hedge some or all foreign currency exposure to the Australian dollar.</td> </tr> </table>	Principle investment exposure	Diversified portfolio of property-related securities.	Geographic coverage	International, including Australia.	Currency hedging	The Fund may choose to hedge some or all of its exposure. Underlying Fund(s) that the Fund invests in may hedge some or all foreign currency exposure to the Australian dollar.	<p>The Trust generally gains its investment exposure to the international and Australian property securities markets by investing in a diversified portfolio of property securities managers.</p> <p>The Trust's investments provide diversified exposure to international and Australian listed, or soon-to-be listed, property securities.</p> <p>The underlying investment managers may utilise strategies for managing currency exposure. The Trust has the capacity to apply a currency overlay to manage the currency risk.</p>														
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Benchmark	FTSE EPRA/NAREIT Developed Net Total Return Index Hedged to AUD	FTSE EPRA NAREIT Developed ex Aus Rental 100% Hedged to AUD Net Tax (Super) Index																				
Estimated fees and costs (p.a) of the net asset value of the Trust²	<table border="1"> <tr> <td>Estimated management fees³</td> <td>0.97%</td> </tr> <tr> <td>Estimated indirect costs⁴</td> <td>0.00%</td> </tr> <tr> <td>Estimated net transaction costs⁵</td> <td>0.08%</td> </tr> <tr> <td>Estimated performance fees⁶</td> <td>nil</td> </tr> <tr> <td>Total estimated management fees & costs</td> <td>1.05%</td> </tr> </table>	Estimated management fees ³	0.97%	Estimated indirect costs ⁴	0.00%	Estimated net transaction costs ⁵	0.08%	Estimated performance fees ⁶	nil	Total estimated management fees & costs	1.05%	<table border="1"> <tr> <td>Estimated management fees³</td> <td>0.87%</td> </tr> <tr> <td>Estimated indirect costs⁴</td> <td>0.00%</td> </tr> <tr> <td>Estimated net transaction costs⁵</td> <td>0.08%</td> </tr> <tr> <td>Estimated performance fees⁶</td> <td>nil</td> </tr> <tr> <td>Total estimated management fees & costs</td> <td>0.95%</td> </tr> </table>	Estimated management fees ³	0.87%	Estimated indirect costs ⁴	0.00%	Estimated net transaction costs ⁵	0.08%	Estimated performance fees ⁶	nil	Total estimated management fees & costs	0.95%
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Buy-sell spread⁷	Estimated to be 0.14% of the application amount on investments made in the Trust and 0.14% of the withdrawal amount on the withdrawal from the Trust	No change as a result of the implementation of changes outlined in this document, however may be subject to change as part of standard buy-sell spread reviews.																				
Strategic asset allocation and ranges	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Strategic Asset Allocation</th> <th>Ranges</th> </tr> </thead> <tbody> <tr> <td>Cash and short-term securities</td> <td>0%</td> <td>0 – 5%</td> </tr> <tr> <td>Property</td> <td>100%</td> <td>95 – 100%</td> </tr> </tbody> </table>	Asset class	Strategic Asset Allocation	Ranges	Cash and short-term securities	0%	0 – 5%	Property	100%	95 – 100%	No change											
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¹ The implementation of the changes to the Fund contained in this document is subject to final implementation review and approval. Unless otherwise stated above, all other information in the Product Disclosure Statement (PDS) remains unchanged.

² The estimated fees and costs disclosed in the 'Before 30 November 2023' column reflect the fees and costs included in an update to the Fund's current PDS on 15 September 2023 available at www.ioof.com.au/forms. Where applicable, all fees and costs in this document are shown inclusive of GST and net of Reduced Input Tax Credits.

³ The estimated management fees include the investment management fee, which is the fee charged by the Responsible Entity for overseeing and managing the assets of the Fund, and fees charged by underlying investment managers. All ongoing administration, Responsible Entity fees, underlying investment manager fees and other fees that would normally be payable by the Fund will be paid out of the investment management fee. It excludes transaction costs and other abnormal expenses. The estimated management fees may vary due to changes to the relevant Fund's underlying assets, investment managers and their fees. Updated information will be available at www.ioof.com.au/forms.

⁴ As an investor in the Fund, you may incur indirect costs which are not charged directly to the Fund. Indirect costs have the effect of reducing your overall return on investment (where such indirect costs are not otherwise paid out of the management fee as noted above). These indirect costs may be incurred through investment in underlying unit trusts. Indirect cost amounts included in this document are based on actual costs incurred for the financial year to 30 June 2023 and involve the Responsible Entity's estimate of costs where information was unavailable at the date this document was issued and are included in the 'Before 30 November 2023' column. The amounts in the 'After 30 November 2023' column are the estimated indirect costs which are expected to apply from this date. Amounts may vary from time to time and you may not be given advance notice of any changes to these amounts. Updated amounts will be available at www.ioof.com.au/forms.

⁵ The estimated net transaction costs in this document are based on actual costs incurred for the financial year to 30 June 2023 and involve the Responsible Entity's estimate of costs where information was unavailable at the date this document was issued, are net of buy-sell spread recovery and are included in the 'Before 30 November 2023' column. The 'After 30 November 2023' column are the estimated transaction costs which are expected to apply from this date.

⁶ There are currently no performance fee arrangements in place with any of the underlying investment managers of the Fund.

⁷ Buy-sell spreads are not expected to change because of the implementation of the changes to the Fund contained in this document. The buy-sell spreads shown in the table are estimates and actual spreads are subject to change from time to time depending on changes to the composition of the Fund's underlying assets and exposure to various investment managers. Buy-sell spreads are subject to change without notice, to ensure that non-transacting investors are not adversely affected by applications or withdrawals made by other investors.