

Advance Investment Funds - Significant Event Notice

1 June 2023

This Significant Event Notice ('Notice') is to update you on important changes to the Advance Investment Funds (Wholesale and Retail classes), which are collectively referred to as 'the Funds'.

Advance Asset Management Limited ABN 98 002 538 329, AFSL 240902 ('AAML', 'we', 'us' or 'our') is the Responsible Entity of the Funds. For a full list of the Funds covered by this Notice, please refer to the table on page 5.

Please take the time to read the important changes and information outlined in this Notice, which covers:

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Changes to Fees and Costs

We are making some changes to the fees and costs that are charged to the Funds covered by this Notice.

Changes in Indirect Costs from 1 July 2023

Currently, expenses incurred by us in relation to each Fund are paid by us out of the Management Fee charged to each Fund. That is, expenses are not separately charged to the Funds in addition to the Management Fees.

From 1 July 2023, certain expenses that are incurred by us in relation to the proper performance of our duties in respect of each Fund will be paid out of or reimbursed from each Fund. That is, expenses will be charged in addition to the Management Fee of the Fund. The Indirect Costs to be charged to the Funds are expected to be up to approximately 0.03% per year for each Fund.

Indirect Costs are required to be set out in each Fund's Product Disclosure Statement ('PDS') and are generally based on the costs of the previous financial year. Therefore, changes to the Indirect Costs will not be included in the PDSs until after 30 June 2024. However, we will include the estimated Indirect Costs in the Additional Information Booklet for the Funds from 1 July 2023. The updated Offer Documents will be available at mercer.com.au/mercerfunds on 1 July 2023.

Management Fee reductions effective 1 October 2023

We will also be reducing the Management Fee by 0.10% per year for the following Advance Investment Funds – Retail Units from 1 October 2023 (the Management Fee for the other Funds will not change):

- Advance Australian Shares Multi-Blend Fund – Retail Units
- Advance International Shares Multi-Blend Fund – Retail Units
- Advance Property Securities Multi-Blend Fund – Retail Units
- Advance Australian Fixed Interest Multi-Blend Fund – Retail Units
- Advance International Fixed Interest Multi-Blend Fund – Retail Units
- Advance High Growth Multi-Blend Fund – Retail Units
- Advance Growth Multi-Blend Fund – Retail Units
- Advance Balanced Multi-Blend Fund – Retail Units
- Advance Moderate Multi-Blend Fund – Retail Units
- Advance Defensive Multi-Blend Fund – Retail Units.

Financial year end processing delays

In July each year, we suspend daily unit pricing to finalise each Fund's financial year end distributions and tax calculations. The unit pricing suspension generally lasts for up to approximately 20 Business Days, depending on the relevant Fund. During the unit pricing suspension period, application and withdrawal instructions will continue to be accepted. However, these transaction instructions will not be processed in the normal timeframe. Following the completion of the unit pricing suspension period on or around 26 July 2023, daily unit prices will be calculated during a 'catch up' pricing period and applied to all transaction instructions received during the suspension period. We are aiming to have all transactions

processed by 28 July 2023. Confirmation of transactions will occur when the applicable unit price becomes available.

Further details regarding the timeline for financial year end processing are available on request or you can visit mercer.com.au/mercerfunds for more information.

If you are planning to make a withdrawal and need access to funds before the end of July, please send in your correctly completed Withdrawal Form and proof of your identity before the end of June to avoid delays. Please allow enough time to get your paperwork to us before 30 June if sending via post. Forms are available on our website mercer.com.au/mercerfunds or call us to request a copy.

Capital Gains Tax ('CGT') statements no longer issued

As part of the annual investor reporting package, we will no longer be providing CGT statements. If you have withdrawn, switched or transferred any part of your investment during the financial year, you will need to provide your tax statement and your transaction history to your accountant or tax adviser.

This year we are aiming to send the annual tax statements in early August. Once available, tax statements can be accessed via Mercer Investor Online from the 'Documents' tab and you can generate your transaction history from the 'Transaction Details' tab.

For assistance on how to register for Mercer Investor Online or to request a copy of your tax statement and transaction history, please give us a call.

Advance Investment Funds to cease direct retail distribution

From 1 July 2023, AAML has decided to change the eligibility criteria for investment in the Advance Investment Funds – Wholesale Units ('the Funds (Wholesale Units)'). Currently, the Funds (Wholesale Units) have an initial minimum investment amount of \$5,000 and are open to investment by direct retail investors who complete the application process.

From 1 July 2023, new investors applying for units in the Funds (Wholesale Units) will be limited to investors who:

- Are wholesale clients, as defined in the Corporations Act 2001 (Cth), who invest directly in the Funds (Wholesale Units) and have an initial investment minimum of \$500,000*; or
- Access the Funds (Wholesale Units) via a platform or wrap service, such as an Investor Directed Portfolio Service (IDPS) or IDPS-Like scheme.

Existing direct investors can continue to make additional investments into the Funds (Wholesale Units) in which units are already held. However, unless you satisfy the wholesale eligibility criteria, you will not be able to apply for new investments in any other Funds (Wholesale Units).

The Funds (Wholesale Units) are held predominantly by wholesale and platform investors by funds under management. We are making this change to simplify the Fund (Wholesale Units) application process and future distribution strategy. Changing the eligibility criteria does not impact our ability to grow the Funds (Wholesale Units) in order to provide scale benefits to investors and we will continue to service all of our existing investors.

*We may waive or vary the investment minimum.

Update on ASIC Stop Orders

On 30 March 2023, interim stop orders issued by ASIC on 14 March 2023 were revoked. The stop orders temporarily prevented new and additional investments in the following Funds:

- Advance Balanced Multi-Blend Fund (ARSN 087 296 375)
- Advance International Shares Multi-Blend Fund (ARSN 087 295 501)
- Advance Property Securities Multi-Blend Fund (ARSN 094 112 580).

Following the lifting of the stop orders on 30 March 2023, investors are able to fully transact on their accounts.

New Offer Documents

The Offer Documents for each Fund will be updated, and the updated versions will be available from 1 July 2023 on our website at mercer.com.au/mercerfunds.

Staying up to date

Information in the Offer Documents is subject to change from time to time. We have the right to make changes to the Funds at any time and in some cases without prior notice. For more information, please refer to the relevant Offer Documents available on our website at mercer.com.au/mercerfunds, or you can call us to request a copy.

We are here to help

If you have any questions regarding the information contained in the Notice or need assistance registering for access to Mercer Investor Online, please contact us on **1300 728 928** from 8:30am – 5:30pm Monday to Friday (Australian Eastern Time).

Advance Investment Funds

Below is a list of the Funds covered by this Notice.

Fund names	Australian Registered Scheme Number (ARSN)	Asia Pacific Investment Register (APIR) Code
Advance Investment Funds – Wholesale Units		
Advance Australian Shares Multi-Blend Fund – Wholesale Units	087 296 008	ADV0045AU
Advance International Shares Multi-Blend Fund – Wholesale Units	087 295 501	ADV0053AU
Advance Property Securities Multi-Blend Fund – Wholesale Units	094 112 580	ADV0095AU
Advance Australian Fixed Interest Multi-Blend Fund – Wholesale Units	087 295 234	ADV0084AU
Advance International Fixed Interest Multi-Blend Fund – Wholesale Units	094 108 924	ADV0067AU
Advance Cash Multi-Blend Fund – Wholesale Units	094 113 050	ADV0069AU
Advance High Growth Multi-Blend Fund – Wholesale Units	108 946 809	ADV0087AU
Advance Growth Multi-Blend Fund – Wholesale Units	087 296 142	ADV0085AU
Advance Balanced Multi-Blend Fund – Wholesale Units	087 296 375	ADV0050AU
Advance Moderate Multi-Blend Fund – Wholesale Units	108 947 011	ADV0091AU
Advance Defensive Multi-Blend Fund – Wholesale Units	087 296 491	ADV0049AU
Advance Investment Funds – Wholesale Units (closed to new investors)		
Advance Defensive Yield Multi-Blend Fund*	166 771 875	ADV0173AU
Advance Investment Funds – Retail Units (closed to new investors)		
Advance Australian Shares Multi-Blend Fund – Retail Units*	087 296 008	ADV0025AU
Advance International Shares Multi-Blend Fund – Retail Units*	087 295 501	ADV0028AU
Advance Property Securities Multi-Blend Fund – Retail Units*	094 112 580	ADV0094AU
Advance Australian Fixed Interest Multi-Blend Fund – Retail Units*	087 295 234	ADV0029AU
Advance International Fixed Interest Multi-Blend – Retail Units*	094 108 924	ADV0088AU
Advance High Growth Multi-Blend Fund – Retail Units*	108 946 809	ADV0086AU
Advance Growth Multi-Blend Fund – Retail Units*	087 296 142	ADV0024AU
Advance Balanced Multi-Blend Fund – Retail Units*	087 296 375	ADV0023AU
Advance Moderate Multi-Blend Fund – Retail Units*	108 947 011	ADV0090AU
Advance Defensive Multi-Blend Fund – Retail Units*	087 296 491	ADV0022AU

* This Fund is only available for additional investment to investors who currently hold units in the Fund.

Important information

This document has been prepared and issued by Advance Asset Management Limited ('AAML') ABN 98 002 538 329, Australian Financial Services Licence 240902 as the Responsible Entity, and the issuer of the units in the Funds. AAML is a wholly owned subsidiary of Mercer (Australia) Pty Ltd ABN 32 005 315 917. 'MERCER' is a registered trademark of Mercer (Australia) Pty Ltd.

The information provided is factual only and does not constitute financial product advice. Before acting on it, you should seek independent financial and tax advice about its appropriateness to your objectives, financial situation and needs. A PDS is available for the Advance Investment Funds – Wholesale Units and can be obtained by visiting mercero.com.au/mercero or calling us on 1300 728 928. You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of units in the Funds. The Advance Defensive Yield Multi-Blend Fund and the Advance Investment Funds – Retail Units

are closed to new investors and do not have a PDS available. A Financial Services Guide can be obtained by visiting mercer.com.au/mercerfunds or calling us on 1300 728 928. For the Target Market Determination for the Funds please refer to mercer.com.au/mercerfunds. Investors should be aware that the value of an investment in any of the Funds may rise and fall from time to time and that neither AAML nor Mercer guarantees the investment performance, earnings or return of capital invested in any of the Funds. Past performance does not guarantee future results.