

28 April 2016

Changes to the Ibbotson Investment Trusts

We are implementing a number of important changes which will impact product disclosure statements and information memorandums (together, the 'Disclosure Documents') for the Ibbotson Investment Trusts ('Trusts'). These changes will be reflected in new Disclosure Documents to be issued on 1 July 2016.

Important changes

Changes	Product Impacted	Do you need to do anything?
1 Corporate rename and Trust name changes	All products	If you are an individual investor, no action is required from you. For platforms, please take the time to consider these name changes and how they may affect your disclosure.
2 Product feature changes	Ibbotson Conservative Growth Trust Ibbotson Balanced Growth Trust Ibbotson Growth Trust Ibbotson High Growth Trust Ibbotson High Growth Plus Trust Ibbotson International Property Securities (Hedged) Trust	Please take the time to review the information carefully to ensure you're aware of the changes and how they may affect you.
3 Reduced management fees	Ibbotson Australian Shares Active Trust	No action is required from you.
4 Updated spreads	Ibbotson Australian Property Securities Trust Ibbotson International Property Securities (Hedged) Trust Ibbotson International Bonds Active (Hedged) Trust Ibbotson Global Inflation Linked Securities (Hedged) Trust Ibbotson Australian Shares Active Trust Ibbotson Australian Shares High Alpha Trust Ibbotson International Shares Core (Hedged) Trust Ibbotson International Shares Core (Unhedged) Trust	No action is required from you.
5 Application form update - bank account details	All products	New applications bank account will operate from 1 July 2016. Please ensure you update bank account details you have on file for new and additional applications.
6 Application form update - cut-off time disclosure	Details about our cut-off times have been moved from the Disclosure Documents to the Application Form.	No action is required from you.

1. Corporate rename and Trust name changes

Ibbotson Associates Australia Limited, Morningstar's investment management business in Australia, has been renamed Morningstar Investment Management Australia Limited.

Morningstar's suite of investment management services and businesses around the world have recently unified under the Morningstar brand. Moving to the Morningstar brand for the investment management business in Australia is a further step in uniting our investment management, data, research, ratings, and technology capabilities under one global brand that represents three decades of serving investors directly and indirectly around the world.

As part of moving to the Morningstar brand, we have decided to rename the Trusts to Morningstar Investment Funds.

Refer to Appendix 1 for details on the changes to Trust names.

2. Product feature changes

We regularly conduct reviews of our asset allocation and capital market assumptions as part of our investment process. Based on a recent review, we will include some changes to product features in the new Disclosure Documents.

Refer to Appendix 2 for details on the new product features.

3. Reduced management fees

To ensure we provide our investors with solutions designed to achieve the best possible investment outcomes, we regularly review our investment strategies as part of our research and portfolio management process. During the course of 2016 we are implementing changes in the Ibbotson Australian Share Active Trust ('Trust') that will result in reduced underlying investment management fees and costs. In line with our investment principles we would like to share these reduced fees and costs with investors by reducing the Trust's management fees from 0.86% p.a. (net of GST) to 0.46% p.a. (net of GST).

4. Updated spreads

We regularly conduct reviews of spreads as part of our investment operations process. Based on a recent spread review, we will be including updated spreads for eight sector Trusts.

Refer to Appendix 3 for details of the new spreads.

5. Changes to our bank account details

We are currently upgrading our Trusts' operating model and to facilitate further enhancements we will be using a new bank account for investor applications. The change to our bank account details requires all direct investors to use new bank account details from 1 July 2016 onwards for new and additional applications. If application monies are paid to the old bank account on or after 1 July 2016, this may result in an application being rejected.

Changes to the Bank Account Details

Current details to be used	Up to 30 June 2016	1 July 2016 onwards
Financial institution	JPMorgan Chase Bank Australia	JPMorgan Chase Bank Australia
Branch address	Brisbane	Sydney
Account name	JPM Morgan Chase London	Morningstar IM ATF MIF Apps a/c
Account number	012-000-307	016-050-301
BSB number	214-400	212-200
SWIFT address	CHASAU2X	CHASAU2X
References	GTI 29719	<Insert client name>

6. Cut-off time disclosure

In order to facilitate further enhancements in our operating model, we have moved the disclosure about cut-off times from individual Disclosure Documents to the Application Form. At the same time we have updated cut-off times, extending from 10:15 am to 11:15 am Sydney time.

The changes above will apply from the issue date of the new Disclosure Documents (1 July 2016).

Should you have questions, please do not hesitate to contact our distribution team on 02 9276 4550.

Yours sincerely



Joanne Brady
Chief Operating Officer

Appendix 1 Trust Name Changes

APIR	Current name	New name
INT0034AU	Ibbotson Conservative Growth Trust	Morningstar Conservative Real Return Fund
INT0028AU	Ibbotson Balanced Growth Trust	Morningstar Balanced Real Return Fund
INT0038AU	Ibbotson Growth Trust	Morningstar Growth Real Return Fund
INT0042AU	Ibbotson High Growth Trust	Morningstar High Growth Real Return Fund
INT0040AU	Ibbotson High Growth Plus Trust	Morningstar Aggressive Real Return Fund
ASK1212AU	Ibbotson Dynamic Defensive Trust	Morningstar Multi-Asset Defensive Fund
ASK1209AU	Ibbotson Dynamic Growth Trust	Morningstar Multi-Asset All Growth Fund
INT0095AU	Ibbotson Diversified Alternatives Trust	Morningstar Diversified Alternatives Fund
INT0052AU	Ibbotson International Shares Core (Unhedged) Trust	Morningstar International Shares (Unhedged) Fund
INT0050AU	Ibbotson International Shares Core (Hedged) Trust	Morningstar International Shares (Hedged) Fund
INT0069AU	Ibbotson International Shares High Opportunities (Unhedged) Trust	Morningstar International Shares High Opportunities (Unhedged) Fund
INT0086AU	Ibbotson International Shares High Opportunities (Hedged) Trust	Morningstar International Shares High Opportunities (Hedged) Fund
INT0074AU	Ibbotson Australian Shares High Alpha Trust	Morningstar Australian Shares High Alpha Fund
INT0022AU	Ibbotson Australian Shares Active Trust	Morningstar Australian Shares Fund
INT0080AU	Ibbotson International Bonds Active (Hedged) Trust	Morningstar International Bonds (Hedged) Fund
INT0092AU	Ibbotson Global Inflation Linked Securities (Hedged) Trust	Morningstar Global Inflation Linked Securities (Hedged) Fund
INT0020AU	Ibbotson Australian Bonds Trust	Morningstar Australian Bonds Fund
INT0030AU	Ibbotson Cash Trust	Morningstar Cash Fund
INT0054AU	Ibbotson Australian Property Securities Trust	Morningstar Australian Property Securities Fund
INT0077AU	Ibbotson International Property Securities (Hedged) Trust	Morningstar Global Property Securities (Hedged) Fund
INT0098AU	Ibbotson Alpha Strategies Trust	Morningstar Alpha Strategies Fund
INT0089AU	Ibbotson Global Trading Strategies Trust	Morningstar Global Trading Strategies Fund

Appendix 2 Product Feature Changes

As part of our investment process we regularly conduct reviews of our asset allocation and capital market assumptions. Based on a recent review we will include some changes to product features in the new Disclosure Documents. The important product feature changes outlined below will apply from the date of the new Disclosure Documents.

Changes to Ibbotson High Growth Plus Trust (to be renamed Morningstar Aggressive Real Return Fund)				
	Current		New	
Investment Return Objective	Aims to earn a rate of return that exceeds Consumer Price Index increases by at least 5.0% p.a. over rolling 10 year periods.		Aims to earn a rate of return that exceeds Consumer Price Index increases by at least 4.5% p.a. over rolling 10 year periods.	
Investment Strategy	An actively managed diversified Trust with a long term average exposure of around 95% to growth assets such as shares, property and alternative investments and around 5% to income asset such as cash and fixed interest. The Trust will be invested dynamically across managed funds, direct securities, exchange traded funds, foreign exchange contracts and/or derivatives. The Trust aims to deliver real returns whilst preserving capital over the targeted investment horizon.		An actively managed diversified Fund with a long term average exposure of around 100% to growth assets such as shares, property and infrastructure. The Fund will be invested dynamically across managed funds, direct securities, exchange traded funds, foreign exchange contracts and/or derivatives. The Fund aims to deliver real returns whilst preserving capital over the targeted investment horizon.	
Asset allocation ranges	Min	Max	Min	Max
Australian Shares	0	70	0	70
International Shares	0	70	0	70
Global Property Securities			0	45
Australian Property Securities *	0	30		
International Property Securities *	0	30		
Global Infrastructure	0	20	0	20
Australian Bonds	0	10	0	10
International Bonds (Hedged)	0	10	0	10
Global Inflation Linked Securities (H)	0	10	0	10
Cash	0	20	0	20
Alternative Investments	0	35	0	25

*Combined under 'Global Property Securities' from 1 July 2016

Changes to Ibbotson High Growth Trust (to be renamed Morningstar High Growth Real Return Fund)

	Current		New	
Investment Return Objective	Aims to earn a rate of return that exceeds Consumer Price Index increases by at least 4.5% p.a. over rolling 9 year periods.		Aims to earn a rate of return that exceeds Consumer Price Index increases by at least 4.0% p.a. over rolling 9 year periods.	
Investment Strategy	An actively managed diversified Trust with a long term average exposure of around 85% to growth assets such as shares, property and alternative investments and around 15% to income asset such as cash and fixed interest. The Trust will be invested dynamically across managed funds, direct securities, exchange traded funds, foreign exchange contracts and/or derivatives. The Trust aims to deliver real returns whilst preserving capital over the targeted investment horizon.		An actively managed diversified Fund with a long term average exposure of around 90% to growth assets such as shares, property and infrastructure and around 10% exposure to income assets such as cash and fixed interest. The Fund will be invested dynamically across managed funds, direct securities, exchange traded funds, foreign exchange contracts and/or derivatives. The Fund aims to deliver real returns whilst preserving capital over the targeted investment horizon.	
Risk profile	Medium to High		High	
Asset allocation ranges	Min	Max	Min	Max
Australian Shares	0	65	0	65
International Shares	0	65	0	65
Global Property Securities			0	40
Australian Property Securities *	0	30		
International Property Securities *	0	30		
Global Infrastructure	0	20	0	20
Australian Bonds	0	15	0	15
International Bonds (Hedged)	0	15	0	15
Global Inflation Linked Securities (H)	0	15	0	15
Cash	0	35	0	35
Alternative Investments	0	25	0	25

*Combined under 'Global Property Securities' from 1 July 2016

Changes to Ibbotson Growth Trust (to be renamed Morningstar Growth Real Return Fund)

Asset allocation ranges	Current		New	
	Min	Max	Min	Max
Australian Shares	0	60	0	60
International Shares	0	60	0	60
Global Property Securities			0	40
Australian Property Securities *	0	25		
International Property Securities *	0	25		
Global Infrastructure	0	20	0	20
Australian Bonds	0	20	0	20
International Bonds (Hedged)	0	20	0	20
Global Inflation Linked Securities (H)	0	15	0	15
Cash	0	45	0	45
Alternative Investments	0	25	0	25

Changes to Ibbotson Balanced Growth Trust (to be renamed Morningstar Balanced Real Return Fund)

Asset allocation ranges	Current		New	
	Min	Max	Min	Max
Australian Shares	0	45	0	45
International Shares	0	45	0	45
Global Property Securities			0	30
Australian Property Securities *	0	20		
International Property Securities *	0	20		
Global Infrastructure	0	15	0	15
Australian Bonds	0	30	0	30
International Bonds (Hedged)	0	30	0	30
Global Inflation Linked Securities (H)	0	20	0	20
Cash	0	55	0	55
Alternative Investments	0	25	0	25

Changes to Ibbotson Conservative Growth Trust (to be renamed Morningstar Conservative Real Return Fund)

Asset allocation ranges	Current		New	
	Min	Max	Min	Max
Australian Shares	0	30	0	30
International Shares	0	30	0	30
Global Property Securities			0	20
Australian Property Securities *	0	15		
International Property Securities *	0	15		
Global Infrastructure	0	10	0	10
Australian Bonds	0	30	0	40
International Bonds (Hedged)	0	30	0	40
Global Inflation Linked Securities (H)	0	20	0	20
Cash	10	70	10	70
Alternative Investments	0	25	0	25

*Combined under 'Global Property Securities' from 1 July 2016

Changes to Ibbotson International Property Securities (Hedged) Trust (to be renamed Morningstar Global Property Securities (Hedged) Fund)

	Current noted in PDS *	New
Benchmark	UBS Global Real Estate Investors Index (\$A Hedged)	FTSE/NAREIT Developed Market Real Estate Index (\$A Hedged)

*We advised investors of this benchmark change in a product communication in April 2015 when UBS decommissioned its global real estate investors index series. This change is to bring the PDS disclosure up to date.

Appendix 3 Updated Spreads

Trust	Current buy/sell spread %	New buy/sell spread %
lbbotson Australian Property Securities Trust	0.20 / 0.20	0.10 / 0.10
lbbotson International Property Securities (Hedged) Trust	0.15 / 0.15	0.10 / 0.10
lbbotson International Bonds Active (Hedged) Trust	0.10 / 0.10	0.13 / 0.13
lbbotson Global Inflation Linked Securities (Hedged) Trust	0.15 / 0.15	0.12 / 0.12
lbbotson Australian Shares Active Trust	0.15 / 0.15	0.10 / 0.10
lbbotson Australian Shares High Alpha Trust	0.25 / 0.25	0.20 / 0.20
lbbotson International Shares Core (Hedged) Trust	0.17 / 0.17	0.12 / 0.12
lbbotson International Shares Core (Unhedged) Trust	0.15 / 0.15	0.10 / 0.10