

Advance Mortgage Fund

Notice of Termination – 15 May 2012

Advance Asset Management Limited recently completed a review of the Advance Mortgage Fund (the Fund) and has concluded it's in the best interest of all investors to provide certainty on the Fund's future and terminate the Fund, effective 15 May 2012.

We'll begin the process of returning the remaining capital to investors this month as cash becomes available through the maturity of the Fund's underlying mortgages. Through periodic capital distributions to all investors we'll progressively return capital to all investors proportionally, based on the unit holding in the Fund, and there will no longer be any withdrawal offers.

We expect to make an initial payment equivalent to approximately 50% of an investor's current account balance in the Fund by 31 May 2012. We anticipate further payments will be made at the end of the year as additional cash becomes available in the Fund from mortgage maturities. At this stage we expect the wind-up process will be completed by December 2013. However, due to factors outside our control, this date may change so we'll continue to communicate with you about the progress of the termination throughout this period.

As a result of the termination of the Fund, we're no longer able to provide access to hardship relief provisions. We will continue to pay distributable income each month based on account balance at the time.

If you require any further information, we recommend you contact your financial adviser or call our Contact Centre on 1800 819 935.

Important information

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The logo for Advance Asset Management Limited, featuring the word "ADVANCE" in a bold, black, sans-serif font. A thick red horizontal line is drawn across the middle of the letters, passing through the 'A', 'V', and 'N'.