

16 June 2014

Name:  
Company  
Address One  
Address Two  
Suburb/State/Postcode

Dear Adviser

**Changes to the Aberdeen Classic Series Australian Equities Fund (ARSN 088 905 426)  
from 1 August 2014**

At Aberdeen, we believe it is important to undertake periodic reviews of our funds to ensure they provide the most appropriate and relevant investment opportunities for our clients.

As a result of a recent review, we would like to advise that we are making a number of significant changes to the Aberdeen Classic Series Australian Equities Fund ('the Fund').

On 1 August 2014 the Fund will change to an 'ex-20 Australian equity strategy'. The new investment strategy of the Fund will continue to utilise Aberdeen's proven investment philosophy and approach to invest in a concentrated portfolio of around 20-60 companies that are primarily listed on the ASX, excluding the largest 20 securities in the S&P/ASX 300 Accumulation Index (as determined by their market capitalisation).

We have summarised the fund features and other information about the new investment strategy of the Fund in this letter and in the enclosed flyer.

The changes will be incorporated in the forthcoming PDS for the Fund dated 1 August 2014.

Our other large cap Australian equity fund, the Aberdeen Australian Equities Fund, will continue to be offered.

**What is changing?**

The following features of the Fund will change from 1 August 2014:

- Fund name
- Investment objective
- Fund strategy
- Benchmark
- Management Fee

Further details are provided below.

**Why is the Fund changing?**

For the past five years Aberdeen has been managing two large cap Australian equity funds run by the same equity investment team using the same investment process.

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The smaller of the two funds, the Aberdeen Classic Series Australian Equities Fund, is at a size where it will be costly to keep open in its current form on a long-term basis unless assets under management grow. We feel it is inappropriate to increase management fees for the existing strategy. We therefore believe it is in the best interest of unitholders to change the investment strategy and other features of the Fund in order to try and attract new investment in the Fund and avoid the need to increase management costs on the existing investment strategy. Alternatively, we would have needed to consider closing the Fund.

**What is the new fund name?**

The new Fund name will be the Aberdeen Ex-20 Australian Equities Fund.

**What is the new benchmark?**

The new benchmark will be the S&P/ASX 300 Accumulation Index excluding S&P/ASX 20 Leaders Index.

**How will the investment strategy of the Fund and investment objective change?**

The Fund currently invests in around 20-40 companies that are primarily listed on the Australian Securities Exchange (ASX).

The new investment strategy of the Fund will continue to utilise Aberdeen's proven investment philosophy and approach to invest in a portfolio of around 20-60 companies that are primarily listed on the ASX, excluding the largest 20 securities in the S&P/ASX 300 Accumulation Index (as determined by their market capitalisation).

The investment objective of the Fund will be to outperform the S&P/ASX 300 Accumulation Index excluding S&P/ASX 20 Leaders Index, after fees, over rolling three year periods.

The Fund will continue to be managed by the Aberdeen Australian Equity team.

**As is currently the case, there is no guarantee that the investment objective of the Fund will be achieved or that capital will be maintained over the short or long term.**

**Why is the management fee changing?**

The management fee will increase to 0.95% pa (from 0.83% pa) to reflect the changed strategy.

**Is there any tax impact on the Fund as a result of these changes?**

The Fund has carried forward net capital losses. Some of these losses will be utilised when the Fund is restructured, so there will be limited tax impact on unitholders in the Fund.

**What benefits does the new investment strategy of the Fund offer investors?**

The new investment strategy aims to offer a number of benefits to investors as detailed in the enclosed flyer.

**What are the risks of the new investment strategy?**

All investments carry risk. Different strategies carry different levels of risk depending on the assets that make up the strategy. These could include the loss of invested capital, delays in repayment and the non-payment of distributions.

There are a number of significant risks that investors must understand. Please refer to the PDS for more information regarding the significant risks of the Fund.

**Do the changes affect the Standard Risk Measure for the Fund?**

The Standard Risk Measure (SRM) for the Fund does not change as a result of the change in investment strategy and other fund features.

**What action do current unitholders in the Fund need to take?**

On 16 June 2014 we wrote to the unitholders in the Fund to notify them of the upcoming changes. The notification stated that they are not required to take any action as a result of receiving the letter and that it was important that they understood what the changes mean and how they will affect their investment in the Fund.

**Can unitholders reinvest into the Aberdeen Australian Equities Fund?**

If, as a result of these changes, the Fund no longer meets a unitholders' investment needs, we would like to offer them the opportunity to reinvest in the Aberdeen Australian Equities Fund. The minimum reinvestment amount is \$20,000.

Aberdeen will pay any transaction costs (i.e. a sell spread of 0.25% and a buy spread of 0.25%) on their behalf if they decide to invest their redemption proceeds from the Fund into the Aberdeen Australian Equities Fund.

Like the Aberdeen Classic Series Australian Equities Fund, the Aberdeen Australian Equities Fund provides investors with access to an actively managed portfolio of high quality Australian companies using a disciplined and proven process based on proprietary research.

The Aberdeen Australian Equities Fund charges a management fee of 0.80%. If they would like to invest, they simply need to complete a withdrawal form and application form and return them to us **by no later than 2pm on 23 July 2014**. If a unitholder elects to take up this offer, their holding in the Fund will be withdrawn on 31 July 2014 and reinvested in the Aberdeen Australian Equities Fund soon after. Aberdeen will not pay any transaction costs if we receive the completed forms after 2pm on 23 July 2014.

**Can a unitholder withdraw from the Fund?**

A unitholder can withdraw from the Fund at any time in accordance with the withdrawal instructions detailed in the current PDS for the Fund. Normal transaction costs (i.e. a sell spread of 0.25%) will be payable by the unitholder.

**Can a unitholder reinvest into another Aberdeen Fund/s?**

Aberdeen offers a number of equity, fixed income and multi-asset funds to investors with more than \$20,000 to invest.

Information about our other Funds and copies of the relevant PDS are available on our website, [www.aberdeenasset.com.au](http://www.aberdeenasset.com.au), or by contacting Aberdeen Client Services. Please be aware that normal transaction costs (i.e. a sell spread and a buy spread) will be payable by the investor.

**What are the tax consequences of withdrawing from the Fund?**

A withdrawal of units from the Fund (whether or not a unitholder decides to reinvest in another fund) is a tax event. The withdrawal proceeds may encompass a return of unitholder capital, as well as a component of income and capital gains (similar to a distribution) which may be taxable.

**Further information**

For further information, or if you would like more information about our other funds, please contact your Aberdeen Business Development Manager or the Aberdeen Client Service team on 1800 636 888 (Australian investors toll free) or +61 2 9950 2853 (if calling from outside Australia). Alternatively you may wish to email us at [client.service.aust@aberdeen-asset.com](mailto:client.service.aust@aberdeen-asset.com)

Yours sincerely



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