



The Public Trustee

Notice to PTIF Unitholders

Correction of unit pricing error

Clients are to be advised that there was a pricing error in the Conservative Fund and the Australian Equities Fund. This error resulted from an incorrect buy/sell spread being applied in the calculation of the daily unit price for the affected funds. This meant that the prices used for purchasing and redeeming units during the period 3 February 2009 and 24 June 2011 were incorrect.

We have worked with both the unit registry and external consultants to identify the extent of the error to recalculate unit prices and determine a remediation plan. In arriving at the remediation plan, The Public Trustee had regard to industry standard in relation to the individual rectification of errors.

Industry Practice

Both peak industry body for investment management in Australia and the relevant regulators recognise that the cost of rectification can often outweigh the actual size of the error. It is therefore accepted practice to apply a 30 basis point margin (0.30%) on errors before making individual adjustments. This means that if the error on an individual basis is less than 30 basis points, then it is acceptable not to adjust for the error.

The analysis undertaken by external experts and consultants determined that the error for the majority of members was significantly less than 30 basis points.

What does this mean for me?

All of the transactions during the relevant period have been recalculated. The difference to the position is significantly less than the 30 basis points mentioned above. As a result there are no tax consequences due to pricing errors. We can assure you that this error has been completely rectified. We can also assure you that internal processes and controls at the unit registry have been strengthened to prevent any future errors occurring.

Please note, to date, that neither the investors nor the fund have borne the cost of this correction nor will they bear any future costs relating to this error. Should you have any queries in relation to this matter please contact **Investor Hotline 1800 066 774**.

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