

Mosaic Strategic Global Property Trust

Objective

To provide long-term capital growth through access to international and Australian listed real estate securities. This Trust is designed to be a component of a diversified portfolio.

About Mosaic

Mosaic Portfolio Advisers Limited (Mosaic) is a wholly owned subsidiary of SFG Australia Limited (ACN 006 490 259) and is the Responsible Entity (the RE) for the Mosaic Strategic Trusts. As the RE, we're responsible for the day-to-day management of the Trusts and for ensuring they comply with their Constitutions and the law. Our responsibilities include establishing, implementing and monitoring the Trusts' investment objectives and strategies.

About The Investment Manager

DFA Australia Limited (Dimensional) has been appointed as the Investment Manager of the Mosaic Strategic Trusts to manage day-to-day investment decisions.

Portfolio characteristics

The Trust is primarily exposed to globally listed Real Estate Investment Trusts (REITs), and REIT-like entities. Dimensional's Investment Committee determines country eligibility. Eligible countries currently include Australia, Belgium, Canada, China, France, Germany, Greece, Hong Kong, Israel, Italy, Japan, Malaysia, the Netherlands, New Zealand, Singapore, South Africa, Taiwan, Turkey, the UK and the US.

The allocation to Australian REITs has been transitioned from a target of 60% of the Trust to approximately 3 times its natural market cap weight in a global portfolio. At 31 December 2011, the exposure to Australian REITs was 31.35% of the portfolio.

Dimensional generally aims to hedge approximately 50% of the foreign currency exposure to the Australian dollar.

The Mosaic Strategic Global Property Trust adopts a long-term buy and hold approach designed to reduce transaction costs and keep portfolio turnover low.

Performance¹

Mosaic Strategic Global Property Trust

	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	Since Inception ³
Mosaic Strategic Global Property Trust	1.2%	5.6%	-4.5%	1.7%	6.0%	7.4%	7.4%

S&P Composite Global Property Index²

	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	Since Inception ³
S&P Composite Global Property Index ²	1.1%	5.7%	-4.6%	1.2%	5.4%	7.6%	7.6%

Performance calendar year⁴

	2009	2010	2011
Mosaic Strategic Global Property Trust	10.2%	10.4%	1.7%
S&P Composite Global Property Index ²	12.1%	9.8%	1.2%

4. All returns are in AUD. Returns in "Performance Calendar Year" table are for full calendar year.

Product features

	Mosaic Strategic Global Property Trust	S&P Composite Global Property Index
No. of securities	294	264
Div Yield % ⁵	5.0	5.1

Calculation methodology:

5. Weighted average dividend to price using indicated gross dividends per share.

GICS Sector (%)

	Mosaic Strategic Global Property Trust	S&P Composite Global Property Index
Retail REITs	36.2	35.8
Diversified REITs	18.6	20.7
Office REITs	15.1	14.1
Specialised REITs	13.8	13.8
Residential REITs	9.6	9.6
Industrial REITs	6.3	6.1
Other	0.3	-
Total	100.0	100.0

1. All returns are in AUD. Returns for periods 1 year or less are actual. Returns for periods greater than 1 year are annualised. Returns are net of fees, expenses, and assume income is reinvested. The performance presented is historical and is no guarantee of future performance.

2. S&P data provided by Standard & Poor's Index Services Group. S&P/ASX data reproduced with the permission of S&P Index Services Australia. Composite Index weight initially 60% S&P/ASX 300 Property Index; 40% S&P Developed BMI REIT Index. December 2009 - composition: Three times Australian market weight multiplied by S&P/ASX 300 Property Trusts Accum Index. Remaining weight split 50/50 between S&P Developed ex Australia REIT index (net div) converted at PFPC Rate and S&P Developed ex Australia REIT index (hedged to AUD, net div); August 2009 - November 2009 composition: Australian country weight of Mosaic Strategic Global Property Trust multiplied by S&P/ASX 300 Property Trusts Accum Index. Remaining weight split 50/50 between S&P Developed ex Australia REIT index (net div) converted at PFPC Rate and S&P Developed ex Australia REIT index (hedged to AUD, net div); July 2007 - July 2009: Composite Mosaic Strategic Global Property Trust Benchmark Total Returns Net Dividends in AUD Composition: 60% S&P/ASX 300 Property Trusts Accum Index, 20% S&P Developed ex Australia REIT index (net div) converted at PFPC Rate, 20% S&P Developed ex Australia REIT index (hedged to AUD, net div)

3. The inception date for the Trust and the benchmark is determined by the first full month for which Trust returns are available.

Distribution summary¹

Mosaic Strategic Global Property Trust	2009 ²	2010	2011
Growth Return	-16.65%	23.91%	4.67%
Distribution Return	4.93%	6.30%	11.54%
Total Return (%)	-11.72%	30.21%	16.21%
Total Capital Gain as % of Distribution	2.00%	1.10%	0.59%
Longterm Capital Gain as a % of Total Capital Gain	100.00%	100.00%	100.00%

1. Year ending 30 June

2. Performance is from fund inception to end of the financial year.

The table above shows the performance represented by the Total Return (after management fees and expenses). The Total Return is the aggregate of the Growth and Distribution Returns, and assumes that all distributions were reinvested during the financial year. The Growth Return for each financial year represents the per unit percentage change in the unit redemption price since the end of the previous financial year.

The Distribution Return represents the contribution to Total Return made by distribution entitlements paid by the fund for the financial year (including net realised capital gains). No allowance for taxation has been made as this is payable by the unitholder. Investors should note that past performance is not indicative of future performance; and that investment capital, Growth and Distribution Returns are not guaranteed. The percentage franked is calculated using the franking credits distributed per unit and the actual cash distribution per unit. In some cases expenses may reduce the actual cash distribution below the value of the franked dividends received by the trust. In such cases this will result in a percentage franked greater than 100%. Total realised capital gain and total long term capital gain are calculated as a percentage of the net distribution amount.

Regional weights (%)	Mosaic Strategic Global Property Trust	S&P Composite Global Property Index	Top 20 holdings (weight %)	
North America	49.9	49.8	WESTFIELD GROUP	8.85
United Kingdom	4.1	4.0	SIMON PROPERTY GROUP INC	5.15
Japan	4.3	4.3	WESTFIELD RETAIL TRUST	3.95
Continental Europe	5.4	5.4	STOCKLAND	3.93
Pacific Rim	35.3	36.6	GPT GROUP	2.87
Africa	0.5	0.0	PUBLIC STORAGE	2.83
EM Asia	0.3	0.0	HCP INC	2.38
EM Europe and Middle East	0.1	0.0	EQUITY RESIDENTIAL	2.37
Total	100.0	100.0	UNIBAIL-RODAMCO SE	2.31
			DEXUS PROPERTY GROUP	2.28
			GOODMAN GROUP	2.22
			BOSTON PROPERTIES INC	2.05
			VENTAS INC	1.96
			VORNADO REALTY TRUST	1.83
			PROLOGIS INC	1.77
			CFS RETAIL PROPERTY TRUST	1.76
			AVALONBAY COMMUNITIES INC	1.64
			COMMONWEALTH PROPERTY OFFICE	1.41
			HOST HOTELS & RESORTS INC	1.35
			HEALTH CARE REIT INC	1.32
			Total	54.23

About Dimensional

Founded in the US in 1981, Dimensional is now a well-established global firm managing about A\$208 billion worldwide, including some \$17.3 billion for clients in Australia and New Zealand.

Dimensional's strategies are grounded in robust academic research, underpinned by a sound and consistent philosophy and implemented in a rational, structured and efficient way.

The firm serves more than 450 institutional clients around the world. Individual investors generally can access Dimensional's funds only through a select group of fee-based financial advisors.

Why invest in global real estate?

Research by financial economists demonstrates that listed property is a separate asset class distinct from equity assets. Investors are able to diversify their portfolios by including an allocation to property.

Global listed property extends this diversification principle. Being able to invest across many countries enables investors to benefit from the low correlation between property markets in each country. Investors in the Australian market are familiar with the concept of listed property securities and the benefits they provide. These include the fact that they offer liquid and easy access to the returns of income-producing property. They are also tax-transparent, which allows investors to receive tax treatment similar to what they would receive had they held properties directly. Internationally, the term commonly used for this type of investment vehicle is Real Estate Investment Trust or REIT. These are simply an extension of the listed property trust concept into global markets.

Strengths

- **BROAD DIVERSIFICATION:** The strategy is broadly diversified by type and size of REIT, by geography and by market capitalisation (includes small cap REIT's). Broad exposure aims to capture the true returns of the asset class and reduce risk.
- **QUALITATIVE FILTERS:** Dimensional employs filters designed to remove securities from the investment universe that have risk characteristics other than those being targeted. These include securities in bankruptcy, operating companies and securities that lack sufficient liquidity for cost-effective trading.
- **COST EFFECTIVE:** In line with Dimensional's efficient trading approach, the strategy is implemented in a way that aims to minimise transaction costs and reduce turnover and realised capital gains.
- **TAX MANAGEMENT:** Dimensional seeks to maximise the after-tax value of an investment by managing the portfolio in a manner that aims to defer the realisation of net capital gains where possible and to manage dividend income. The Trust adopts a long term buy and hold strategy designed to reduce transaction costs and keep portfolio turnover low.

Benefit summary

- Highly diversified
- Patient & low cost trading
- Constructed to be tax-efficient
- Potential administration cost savings

Operational

APIR Code	DFA0006AU
Fund Inception	17-December-2008
Net Assets (\$Mil) 31 Dec 2011	284
Management Fee	0.325%
Actual Management Costs ¹	0.41%
Management Costs Cap	0.45%
Distribution Freq.	6 monthly (Jun, Dec)
Transaction cost allowance	± 0.15%
Custodian	JP Morgan

1. The actual management cost is for the 12 month period to 30 June 2011 and has been obtained from the annual report and other calculations for the Trust for that period.

DISCLOSURE AND DISCLAIMER

This material is provided for information only. No account has been taken of the objectives, financial situation or needs of any particular person. To the extent this material may be considered to constitute general financial product advice, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to the investor's objectives, financial situation and needs. This is not an offer or recommendation to buy or sell securities or other financial products, nor a solicitation for deposits or other business, whether directly or indirectly. A Product Disclosure Statement (PDS) for the Trust, under which offers to invest are made, can be downloaded from www.mosaiccpa.com.au or can be obtained from your Investor Service. Investors should consider the current PDS in deciding whether to invest in the Trust, or to continue to hold their investments in the Trust. Unless an exemption applies, anyone wishing to accept the offer in the PDS will need to complete the application form accompanying the PDS. Note that the performance presented is historical and is no guarantee of future performance.

Mosaic Portfolio Advisors Limited ABN 13 108 747 637 AFSN 275 101 took over from DFA Australia Limited as Responsible Entity of the Trust in December 2011.

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