

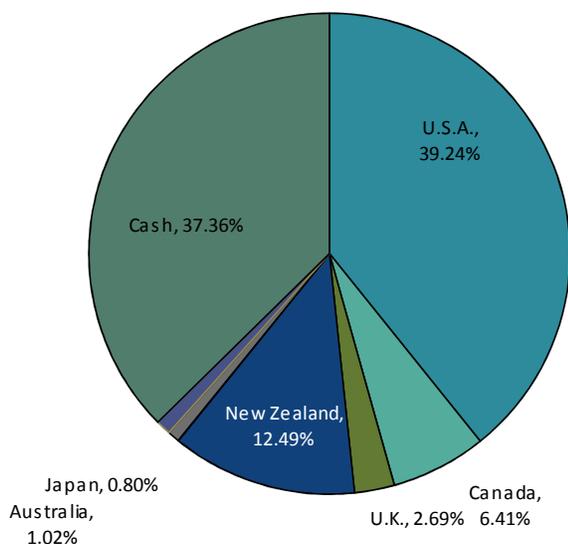
The Peters MacGregor Global Fund returned 0.2% for the month of May. In comparison, the broader international index declined by 6.8%. Over the past twelve months, the Fund has returned 2.7% compared to a 7.8% decline for the broader international index. May was characterised by continuing nervousness regarding the stability of the European financial system. Economic data in China disappointed, contributing to concerns about slowing economic growth. The People’s Bank of China announced a 0.5 percentage point reduction to the reserve requirement ratio for banks in an attempt to increase liquidity.

- During May, the strongest performers included Walmart Stores (+12.0%), ASTA Funding (+3.3%) and Berkshire Hathaway (-1.3%). The poorer performers included Symex Holdings (-16.7%), The Howard Hughes Corporation (-10.8%) and Bank of America Corporation (-9.2%). All returns are shown in base currency.
- Walmart Stores was the largest positive contributor to Fund performance for the month, reporting first quarter results which exceeded company guidance. Diluted earnings per share for the first quarter rose to \$1.09, compared to \$0.98 for the prior corresponding period. Net Sales rose to US\$112.3 billion for the quarter, an increase of 8.6% from the first quarter last year.
- During the month, the Manager entered into a share repurchase agreement with ASTA Funding, enabling the Manager to sell a portion of the Fund’s holding at a price of US\$9.40 per share. The negotiated price represents a 7.3% premium to the May closing price of US\$8.76.
- There were no other changes to the Portfolio during the month. The Manager believes the Portfolio is positioned conservatively, with a significant proportion of the Portfolio invested in global multi-national companies and cash. With approximately 37.4% in cash at the end of May, the Fund remains positioned to capitalise on any opportunities as they arise.

| Performance Data as at | 31/05/2012 |
|-------------------------|------------|
| 1 month | 0.22% |
| 3 months | 5.87% |
| 6 months | 9.41% |
| 1 year | 2.71% |
| 2 years (p.a.) | 5.43% |
| 3 years (p.a.) | 13.34% |
| 5 years (p.a.) | 0.89% |
| Since Inception (p.a.)* | 3.81% |
| Net Asset Value (\$) | 1.0942 |
| Fund Size (\$ million) | 69.54 |

* Inception date of Fund 6/09/2004

| Top 5 Portfolio Holdings | % |
|-----------------------------|---------|
| Cash | 37.36% |
| Michael Hill International | 12.49% |
| Berkshire Hathaway | 9.34% |
| Bank of America Corporation | 6.45% |
| Fairfax Holdings | 6.41% |
| <i>Other holdings</i> | 27.96% |
| TOTAL | 100.00% |



Important Information: This report is provided for investors in the Funds. While all care has been taken in the preparation of this report (using sources believed to be reliable and accurate), Mosaic Portfolio Advisers Limited, its officers, employees, agents and associated entities accept no responsibility for and will not be liable in respect of any loss or damage suffered by any person in connection with this other than under law which cannot be excluded. You should seek your own financial and taxation advice before dealing with your investment. This report has been prepared without taking into account your investment objectives, financial situation or particular needs. Before investing, or retaining an investment, in any of the Funds you should read the relevant PDS and consider whether the Fund is appropriate having regard to those matters. A copy of the PDS is available at www.mosaiccpa.com.au. Remember, past performance should not be taken as an indication of future performance. All share price returns are shown in local currency terms.